Only $1 a Day—The Price of Victory (page 11)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

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The Nation's Business

Loan Successes Aid Our Way of Life

Canada can readily take up the new Victory Loan—and much more. There is no question of that. There is ample money available. Success of this loan and of future loans depends solely on the willingness of Canadians voluntarily to make the necessary sacrifice today for benefits tomorrow.

And these voluntary loans are a challenge to Canadian business and to our economic system because their success demonstrates the ability of the system of democracy and free enterprise to meet the strain and to win modern war. Their success is striking illustration that Canadian freemen recognize their own best interests and will voluntarily choose brief material hardships today to escape long-lasting hardships of slavery tomorrow.

Because success of the loans is so important to victory soon and to continuance of the Canadian way of life, there is a special responsibility for Canadian businessmen in assuring their success. In encouraging employees to buy to the point of painful self-sacrifice, employers are doing their proper duty as citizens and are serving the best interests of their employees.

Labor and management have a mutual interest in success of Victory Loans. Both have an equal interest in victory. Both wish to be spared an inflationary type of war financing though labor would suffer thereby more cruelly. Both have a mutual interest in maintaining the Canadian way of life, though again labor would suffer more from experiments in Utopianism or from the slavery of totalitarianism.

* * *

WILL BOOST WAR EFFORT

This week's meeting of some 1,000 war work firms in Toronto promises a substantial lift for our war effort.

From all over the Dominion, big and little war work operators have been asked to attend and pay their own expenses. Furthermore, the conference runs on Munitions and Supply department work hours—starting at 8.30 a.m.

Main purpose of the conference is to expose these plant operators, whether they represent big, long-established firms, an auto repair outfit which has converted a garage to some phase of direct war work, or a back street handyman and patriot, to what has been learned in the giant war plants; to the accumulated experiences of the mass production industry of Canada and the United States which is one of our greatest weapons for winning the war.

They will be shown methods whereby they may be able to increase production while lowering costs, decreasing consumption of strategic materials, consuming less manpower. They will be shown what labor-management councils, employee suggestion plans, etc., have done in other plants in increasing production by building greater worker co-operation and morale. They will learn something of efficiency engineering—replanning of work methods, reshifting of plant machinery and so on.

The efficiency of Canada's war production will inevitably benefit. With the concentration of industry programme threatening death for some firms deemed non-essential, it is just and proper that first, every effort should be made to get maximum efficient production from the plants and men now engaged in war industry.

If this conference comes near to expectations in value to industrialists, it should be but the first of a series.

* * *

"LIFE" PLAYING THE NAZI GAME

The editors of Life magazine do a big job for the Nazi propagandists this week in their penny lecture "To the People of England." The enemy is loudly proclaiming it as a sign of "tense relations" between the two great democracies.

Dr. Goebbels himself could not have more astutely carried out his propaganda line which is to stir up criticism of Britain in the United States and criticism of the United States in Britain. Life's editors recall most of the bitter wounds in past relationships between the two countries. Main point of the letter is this:

> "Quit fighting a war to hold the Empire together and join with us and Russia and your other allies to win by whatever strategy is best for all of us. After victory has been won, then the British people can decide what to do about the Empire (for you may be sure we don't want it). But if you cling to the Empire at the expense of a United Nations victory you will lose the war. Because you will lose us."

The implication of the letter very definitely is that Britain has not launched or has prevented launching a so-called "second front" because of Empire considerations. The latter adds, "In the light of what you are doing in India, how do you expect us to talk about 'principles' and look our soldiers in the eye?"

Editor Henry Luce and his editors are entitled to their own opinions like other citizens. What is dangerous and malicious about the letter is that a group of men, so well experienced in the workings of public opinion, so well aware of the line being taken by Axis propaganda, should proclaim such views at this time. For with the opportunity to put views before millions of readers goes the grave responsibility of using the opportunity wisely.

Walter Lippmann, the outstanding U. S. columnist, puts it clearly when he says:

> "The meaning of this hour is that the historic and appointed time of the reconciliation of all the English-speaking nations has come; and the duty of this hour is that we should make the most of it and the best of it—for ourselves and our children, and all our neighbors and all our friends. . . . . This is what our enemies dread and never cease to conspire to destroy."

Major George Fielding Eliot writes in a similar vein:

> "The time has come to put a stop to reckless criticism of our British allies because of fancied discrepancies of policy or because of incredible complications of the so-called 'second front' (about which most of the self-appointed critics know little) or even more incredible complications on the political situation in India (about which few of the self-appointed critics know anything)."

* * *

PUBLIC OPPOSES CLOSED SHOP

When the Gallup Poll recently tested American public opinion on the question of the closed shop in war industry, there was an overwhelming "no" vote.

The question was: "At present, workers who take jobs in war factories that have unions, must join the union before they can start work. Do you think that workers who start to work in a factory because the government has told them to, should have to join the union, or should they be able to go to work without joining the union?"

The results were: Should have to join, 17%; should not have to join, 76%; no opinion, 7%.

The answer is a significant illustration:

(a) of the devotion of the mass of ordinary people to the main job, which is winning the war as fast as possible;

(b) of the clear recognition by the vast majority that the closed shop principle is fundamentally undemocratic;

(c) of public intolerance for the excesses and abuses of professional union promoters who have so often prostituted the interests of their members to selfish and shortsighted ends.

Though the closed shop is undemocratic at any time, forcing it on war industry during this grave crisis is an imposition on the patriotism of Canadian workers and on their readiness to co-operate with measures for the most efficient use of manpower. It is blockading the war effort.

The labor disturber who now sows discontent invites as harvest the whirlwind—and its name is slavery.

Beef Battle Still Rages At Ottawa

Observers Say Gordon Not Likely to Take Latest Move by Gardiner Lying Down

By STAFF WRITER

OTTAWA.—Don't think for a minute that the battle of beef has ended or has even reached a truce.

There was an hour or two last week (after the Wartime Prices and Trade Board had issued its famous ceiling-breaking edict of Oct. 7) when a few persons who thought they were "in the know" figured the battle was pretty nearly over.

They saw in the W.P.T.B. order what seemed like convincing evidence that Donald Gordon and Hon. James Gardiner had compromised.

This was reasonable enough in view of the fact that these two antagonists had spent an entire Saturday afternoon in high conference. And the order was obviously an important yielding of ground on the part of Mr. Gordon.

In place of his earlier suggestion that the cattlemen were already receiving too much for their product, the new edict gave a straight increase of $1.50 per cwt. for the period ending Nov. 30.

Just how important this price increase will be in terms of the cost-of-living index as a whole, and on other agricultural interests who feel that they, too are in line for more

(Continued on page 2, col. 3)

New Chief of Canadian Industry

—Wartime Information Board photo.

New chairman of the Wartime Industries Control Board is Henry Borden, K.C., 41-year-old Toronto lawyer. Able and forceful, a nephew of Sir Robert Borden, he now becomes one of the most potent figures in Canada's war effort. At the same time he takes one of the toughest jobs—that of co-ordinating the work of the nation's 13 controllers. The best opinion at Ottawa is that he's remarkably well fitted for the heavy task. As general counsel for the Department of Munitions and Supply since it was established in April, 1940, he has gained an insight into all its ramified branches and activities. Director of several companies, Mr. Borden was born at Halifax, had a distinguished career at McGill University and Dalhousie Law School, went to Oxford as a Rhodes scholar. Admitted to the bar in England, Nova Scotia and Ontario, he soon achieved fame as an authority on corporation law. His hobbies are golf and fishing, but his new post won't leave him much time for either.

Concentration Plans Held Up?

Delay Seen Reflecting Official Doubts

By KENNETH R. WILSON

OTTAWA.—Postponement of the important press conference which was to have inaugurated the new curtailment and concentration of industry programme, has led to some conjecture here as to whether or not the government is shying away from a drastic slashing of non-essential industry such as has been freely promised by topflight war "managers" in recent weeks.

The conference was to have brought together Hon. J. L. Ilsley and Hon. Humphrey Mitchell as representing the cabinet, and Donald Gordon and Elliott Little as the two men largely responsible for putting the new curtailment programme into effect.

It has been planned to announce the new programme in some detail and also to publicize an official list of non-essential industries which might be deemed subject to manpower draft.

Responsible officials deny that the conference has been anything more than temporarily postponed. At the moment several of the "principals" are out of town. It is asserted that the meeting will take place as soon as the "Big Four" can be brought together again and agreement reached as to exactly what it is they wish to say. According to these sources it was found impossible to reach agreement on the subject matter of the agenda prior to Donald Gordon's departure for a brief holiday.

The question has also been raised as to whether it would be wise to withhold such a statement entirely until more industries and administrators have had a chance to meet the tentative Oct. 15 deadline when all plans for manpower curtailment were to have been submitted to the Industrial Division of the Wartime Prices and Trade Board for preliminary discussion and perusal.

Some of these earlier proposals and discussions are said to have placed in sharp perspective the problems and difficulties which are going to be faced in achieving the Prime Minister's objective of placing Canada on "iron rations" for the duration and eliminating everything not now needed for the health and morale of the people. Thus, many industries, clearly unwilling to "slit their own throats," are said to be preparing stubborn resistance unless it can be shown (a) that the men so released will be quickly and promptly absorbed into essential industry and (b) that other groups receive equal treatment.

There have also been reports that the cabinet itself is seeking more specific information as to just how this programme is to be worked out, prior to giving the new war "bosses" carte blanche to administer the new powers.

New Factors Arise

Then, too, other important and possibly limiting factors in the curtailment field are making themselves evident.

First is the alarming prospect of a drastic cut in Canada's supply of steel and other critical materials from the United States. On the basis of the tentative PRP allocation as announced a week or two ago in Washington, there is the possibility that Canada may find her steel requirements from the United States very considerably reduced. In terms of Canada's present and prospective munitions programme this might be so drastic as to force men out of employment in war production industries rather than the reverse.

(For example, it is considered possible that within a relatively short time it might be necessary to put the shipbuilding industry back on a six-day week for lack of steel, in spite of all the argument that has occurred to get the industry on to a seven-day basis.) Just what will happen to the Canadian steel requirement in the U. S. was still being debated at midweek between authorities on both sides of the line.

Another important influence is the seasonal factor in Canadian employ-

(Continued on page 2, col. 1)

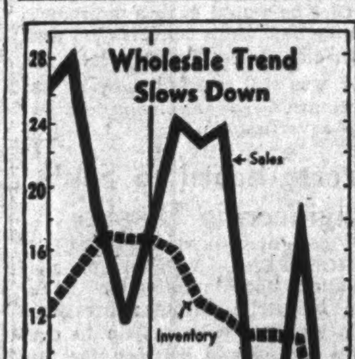


Chart by The Financial Post

Wholesale Sales Trend Flattens

Dollar volume of sales reported by wholesalers in Canada shows definite signs of levelling off after a period of sharp increases, according to Dominion Bureau of Statistics figures. In Aug., 1941, dollar volume of wholesalers was 26.9% above that of the previous August but in August this year the gain was only 0.5% over a year ago.

During this same period, inventories have been following a trend closely related to sales volume. Maximum gain over the preceding year was shown in Oct., 1941, with a gain of 17.6% but for the last two months to be reported the gains have been 4.4% and 4.5% respectively.

There has been a wide variation between the performances of different trades. Footwear led the list with an August gain of 10%. The others ranged down to hardware establishments with a decline of 6% and automobile equipment with a drop of 20%.

Canada Wins Big Concession

Export License Requirements Dropped

Special Correspondence

WASHINGTON.—A major concession to Canada has been granted by the office of exports, Board of Economic Warfare, which has removed the export license requirements for commercial shipments to consignees in Canada and Labrador under Canadian control.

Canadian spokesmen here say this is one of the most important aids to Canadian business ever granted here. It is a privilege enjoyed by no other member of the United Nations and is recognition of the close integration of Canadian and American war industry.

The step itself climaxes three years of careful co-operation with the Board of Economic Warfare and previous agencies of the Federal government by the Washington office of the Department of Munitions and Supply. This clears away the last vestige of red tape and paper barriers in the handling of exports from the United States and Canada.

One Man Versus 150

How important this is can be seen from the fact that the British at the present time have more than 150 people engaged in facilitating applications for export licenses, while Canada has in recent months had only one man working part-time. Australia and the other British dominions have to have specific export licenses for most commodities.

When Canadian representatives came here during the first years of the war the situation was quite different. Under the Neutrality Act specific export licenses were required to ship articles, materials, supplies and technical data. Early in the game we won the right to export machine tools and, in turn, representation by Canada results in general export licenses for all of the critical materials.

At a time when the rubber situation resulted in drastic curtailment on the Canadian side, the Dominion was granted a general export license covering all crude rubber. The Canadians have proved to the Americans that Canadian controls on materials were as good if not better than they were on this side of the line. The argument was always that, since there was control over sources in the United States and destination of the finished products from Canada, there was no point in erecting artificial paper barriers.

Six Weeks Paper Work

But at one time when specific licenses were required, freight cars piled up at the border and demurrage ran into big figures. A specific export license for some "chases," a tiny machine tool used in cutting threads that could be placed in a matchbox once required six weeks to clear. This was not due to reluctance to clear the licenses, but to the detailed paper work necessary.

In recent months recognition of Canada's special position resulted in Canada's importers being granted a "G-1" or general license. These license symbols are no longer required to be shown on envelopes, wrappers and other containers holding technical data.

Export control now extends only to finished munitions which in Canada's case is an inconsiderable factor at the present time.

Urban Transit Problem Speeds Toward Crisis

Latest Traffic Figures Indicate Winter Months Will Bring Acute Situation; Drastic Action May be Necessary

Street car and bus traffic is rapidly approaching a crisis.

From cities across the nation come reports showing that in August—the last month for which figures are complete—transit systems carried from 22 to 76% more passengers than in the same month last year.

August urban traffic is light compared with that in the winter, when far more people use public conveyances. Last winter, in many centres, the situation was acute.

If the percentage of passenger increase registered in August continues into the winter, as compared with the winter months a year ago, the situation will be just that much worse and may conceivably have to be met by some sort of rationing.

Meanwhile Transit Controller George Gray has a country-wide programme under way to ease the load faced by transit facilities. As part of this plan—

1. Working hours of 244,300 Canadians had been staggered at the end of September, with October to see the hours of tens of thousands of others staggered.

2. Many cities have appointed traffic committees to study ways of

(Continued on page 2, col. 1)

In The Financial Post next week

Report on Canada's Food Industry

New Bloc in Quebec Seen Threat to Unity

Observers See Raymond's Move as Resurgent Provincialism Rising at Dangerous Time to Play One Part of Canada Against Others

By KENNETH R. WILSON

OTTAWA. — Observers here see a sinister form behind the style and purpose of the new Bloc Populaire Canadien launched officially last week by Maxime Raymond, M.P.

Apart from the success or failure which may accompany this political venture, there is seen emerging in French-Canada for the first time the ominous federal-provincial electoral technique which aims first, to dominate the provincial legislature, and then, exert direct influence at Ottawa by parallel control of a provincial bloc of seats in the federal house.

In his radio address of last week, 60-year old Maxime Raymond paid tribute to the soundness of this technique in the case of William Aberhart.

Admires Aberhart Technique

"This tactic," said Mr. Raymond, "is the only one which can assure the success of our movement."

Once this tactic can be proven successful in respect to French-Canada it is feared that the effect on national unity in Canada may well be disastrous and the chances of unified post-war administration may become bleak.

Thus the Raymond platform and approach are deemed ominous if they are prophetic of the sort of provincialism in which Canada may find herself at war's end.

It is recalled that it was at the end of the last war that provincialism, in the form which led ultimately to the studies and subsequent collapse of the Rowell-Sirois enquiry, had its birth.

Resurgent Provincialism

Today, before the war is even won or success to our arms assured, the groundwork is being laid for resurgent provincialism by a new political bloc, the sponsor and spokesman of which asserts:

> ". . . that Ottawa must before everything respect and re-establish provincial autonomy in its integrity, such as is recognized by the highest constitutional authorities. Sons of a little country which has spent a hundred years to obtain responsible government and to have its political individuality recognized, we wish to oppose ourselves with all our force in the centralization that we do not fear to denounce as a revolutionary doctrine; revolutionary because it saps at its base the federative and national pact of 1867; revolutionary because it prepares our country—too greatly divided by its geography, its economic life, social and cultural life—for an endless era of dangerous convulsions."

Statement on Education

Other implications of the Raymond bloc are an educational and economic revolution within the Province of Quebec. Mr. Raymond proposes clearly to revolutionize the educational system of the province to provide:

> ". . . that each child of Quebec be directed, utilized in the direction of its aptitude . . . that he find near by the appropriate type of school, technical school, commercial school, classical college, convent, domestic science or other . . . an end to the sight of a great number of children and young folks who enter life without preparation, without trade, without direction."

Mr. Raymond pledges to remove the differential between the wages paid to workers in Quebec and other provinces:

> "We will exact a readjustment of salaries in such a manner that our people may live in normal hygienic

(Continued on page 2, col. 2)

Industry Meets To Reduce Costs

On Oct. 17, representatives of industry and government are meeting in the Royal York Hotel at Toronto to pool ideas and experience in cutting the material and manpower cost of war production. Major feature of the conference is an exhibit of cost-cutting achievements—simplified designs and production methods, use of substitute materials—which have been put into effect by Canadian industrialists.

Estimated to have already cut production costs by some $10 millions, it is hoped that extension of thrifty ingenuity will increase the saving tenfold in 1943. For examples of what has already been achieved, see pages 5 and 7 of this issue of The Financial Post.

See Equal Priorities For Canadian Industry

By ROBERT T. ELSON

WASHINGTON.—Canadian officials here believe that those Canadian manufacturers engaged in war production, the end use of whose products is considered essential, will be given equal consideration with U. S. firms when and if the new "warrant" system is inaugurated by the War Production Board.

This system, which was forecast in The Financial Post last week, is a supplementary arrangement by which certain firms will be guaranteed delivery materials necessary to complete certain urgent contracts which have been so certified by the high command. It does not supplant the present Production Requirements Plan and it does not mean that any more than a minority of firms now engaged in war production will receive these special warrants.

At present Canadian applicants enjoy equal status under P. R. P. with Americans and Canadian officials here could see no reason for any change in this policy. The close integration between both production setups largely achieved through the subcommittees of the Joint-Canadian-American War Production Board has led most American production chiefs to accept the view that the Canadian effort is an extention of the U. S. programme.

This has particularly applied to shipbuilding where the Maritime Commission has evidenced a keen appreciation of the Canadian record. In his fireside chat of Monday night Mr. Roosevelt himself bracketed Canada's production with that of Britain and the United States as one of the deciding factors in the war at sea.

With this background no reason is seen to bar acceptance of Canadian production facilities on the same basis providing those factories are turning out such products as the military staff certify as urgent.

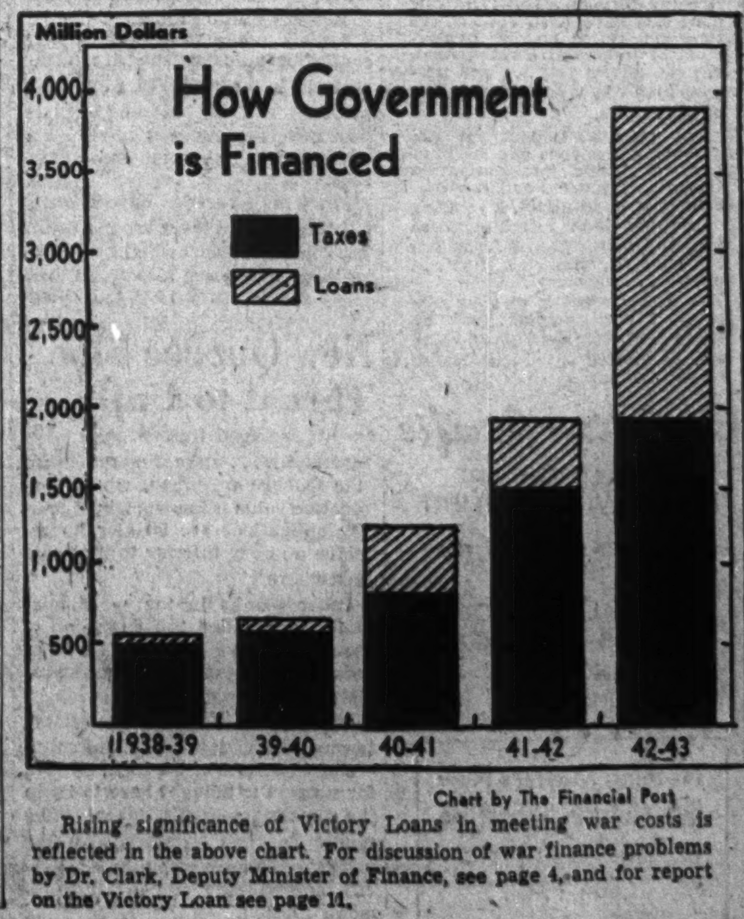


Chart by The Financial Post

Rising significance of Victory Loans in meeting war costs is reflected in the above chart. For discussion of war finance problems by Dr. Clark, Deputy Minister of Finance, see page 4, and for report on the Victory Loan see page 11.

Power Order Affects Nine Quebec Mills

Loss of 50,000 Horsepower Cuts 150,000 Tons From Capacity; Involving 18% Reduction in Present Rate of Operation

From Our Own Correspondent

MONTREAL.—A cut of 150,000 tons in the effective capacity of the Quebec newsprint industry is entailed in a plan announced by the Wartime Prices and Trade Board, National Selective Service and Power Controller H. J. Symington, whereby the industry gives up a further 50,000 h.p. of electrical energy.

Nine mills are involved in the scheme, including the Beaupre mill of Abitibi, the Grand'Mere, Shawinigan Falls and Three Rivers mills of Consolidated Paper, Anglo-Canadian Pulp & Paper's mill at Quebec, Donnacona mill of Donnacona Paper, the Murray Bay plant of Donohue Bros., Three Rivers mills of St. Lawrence Paper Mills and the Three Rivers mill of Canadian International Paper.

Collectively these mills have an annual rated capacity of 1,250,000 tons.

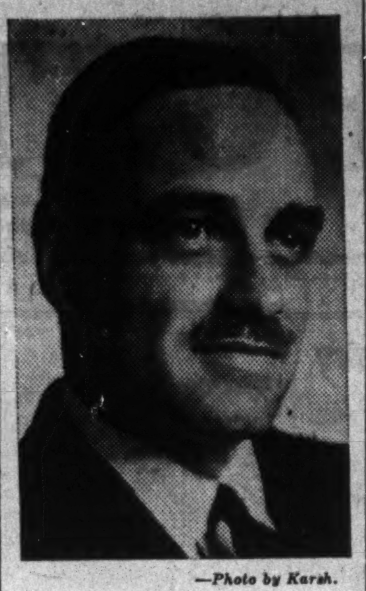
The power diversion means a greater curtailment than indicated by capacity figures. All these mills currently are operated well below capacity.

18% Reduction

Taking average of operations at around 65% of capacity, the present order involves a reduction of a little better than 18% in rate of operations.

No particulars are available as to how the 150,000 tons will be redistributed among the mills. Some multiple machine mills will be able to shut down one or more units and operate the rest at capacity. In fact, there is no indication at the moment that the order will involve switching tonnage from companies affected to those not concerned with the order.

This curtailment is in addition to the previous order of the Newsprint Administrator for staggering of hours, which resulted in a saving of some 40,000 h.p. The purpose is mainly to provide power for the aluminum and other war industries. The manpower affected at best will be extremely small.



—Photo by Karsh.

JOINS AGENCY

Stuart Armour, who is joining the Montreal office of the advertising firm of Cockfield, Brown & Co. Mr. Armour for more than two years has been at Ottawa, first as executive assistant to the deputy minister for air, and later as executive assistant to the oil controller. He has been advertising manager of several companies. He served in the last war, winning the D.S.O. and the Belgian Croix de Guerre.

The War and Business . . .

Small Shops Squeezed

Squeezed by smaller margins, slim supplies and shorter hours, many retail stores have been forced to put up their shutters in recent weeks. So far the casualties have been small but hardly an urban street has not some closed shops and more are feared as war restrictions continue. In some cases, notably in those areas where housing is becoming more congested, empty stores are being utilized for living quarters and early travellers on the street cars see the unusual sight of heavy curtains drawn across plate glass windows, where a little while ago there would have been displayed goods for sale.

• • •

Meat Rise Threat

To put Canadian beef cattle prices on a par with those in the United States, after allowing for duty and extra freight, would mean an increase in beef prices that would send the cost of living of Canada up one full point.

Such is the estimate of high officials at Ottawa. The same authorities claim that if all livestock prices in Canada — hogs, lambs, etc., were raised to parity with the United States, then the cost of living would advance two full points. This indicates just how serious an inflationary threat, rising meat prices are regarded by the authorities.

• • •

Girl Hazards

Efficiency experts have discovered an unsuspected potential loss, sometimes even a hazard, in war factories since the wholesale recruiting of women workers. Good-looking girls have been found to take men's minds off their jobs, thus causing delay and sometimes defective production. Now all girls working in munitions plants are urged to deglamorize their figures with overalls or slacks, and especially to hide bare or silken clad legs.

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Too Much Sugar

Not a few Canadian housewives are gritting their teeth because they followed the government's instructions as to the quantity of sugar to be used with fruit when making jelly with added pectin. The result was a syrup instead of jelly and a large waste of both fruit and sugar. What the housewife and grocer were not told was to weigh the fruit pulp. Many just weighed the fruit without regard to the unusable part of the fruit, such as stones, cores, etc.

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War Ends Next Fall?

Certain interests in both London and Washington now take the view that the war will end next fall, on the 25th anniversary of the conclusion of the first Great War. Their argument is that Germany, having failed to knock out Russia, will have to divide its forces between an eastern and western front, that its early advantage in trained men and equipment is definitely over and within a few months it must face an overwhelming superiority in men and machines of the United Nations. In all the argument there is little or no mention of Japan and it is not clear whether the suggested capitulation next year will include the Oriental partner of the Axis or not.

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Postwar Motor Competition

At least two automobile companies are expecting to be in airplane production after the war it is reported in the United States. Airplane companies, however, are also looking forward to expansion and may move in on certain aspects of the automobile business.

• • •

Limit Work Hours

Even under the pressure of invasion threat, British industrialists have found there is a definite limit as to how long men can work effectively. Over 56 hours weekly, it is reported and there is no gain at all. Something around 50 hours is said to give maximum results.

One reason for these shorter hours now being adopted in Britain—for awhile after Dunkirk there was a full seven-day week in some war plants—is the increasing age of the average workmen. Practically all healthy young men are in the fighting forces and the present huge industrial production is only maintained by adding older men and women to the payrolls. In some heavy British industries the average age for male workers is over 45, whereas in peacetimes it would be ten years younger.

HOLD HIGH THE TORCH OF FREEDOM

A VAST ARMY OF DEPOSITORS
Serving Our Country

Our customers have more than a million deposit accounts, through which they use the Bank for protecting their savings and commercial funds, paying their obligations and generally financing their business.

Thus the Bank serves a great army of citizens who in turn are serving Canada in a multitude of peace-time and war-time activities.

The influence on the country's destiny of this army of thrifty citizens is beyond estimation. The Bank is proud to serve and co-operate with them.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . the Outcome of 124 Years' Successful Operation

Conflicting Interests Delay Housing Move

Co-ordinating Committee Proposed to Tackle Pressing Problem But Munitions Minister Shelves Idea Temporarily

By STAFF WRITER

OTTAWA.—Disagreement among conflicting interests in the Department of Munitions and Supply is said to be responsible for failure to appoint a co-ordinating housing committee in Canada.

This overdue project for a central committee was apparently shelved by Munitions Minister Howe just prior to his visit to Britain.

How soon it will be brought back "on the rails" once he returns from England remains to be seen.

What had been planned was a committee which would represent, and if possible co-ordinate the various interests which have been vying for position in the realm of wartime housing.

Presumably, the Wartime Prices and Trade Board would have been represented on such a committee by Russel Smart, K.C., newly named Administrator of Real Property, whose job it will be to ascertain the "need" for housing in various communities and areas throughout Canada.

Making Surveys

Mr. Smart is already conducting scientific, compulsory "test" surveys of housing accommodation in Kingston and Windsor, as well as organizing voluntary canvasses through the Consumer Branch of the W. P. T. B. to ascertain the degree of congestion of accommodation in various communities affected by the war.

He has been asked to aid the current crisis at Sudbury, where transferred gold miners found themselves homeless on arrival from adjoining communities.

Also represented would be the Department of Finance which has a direct interest through its National Housing Administration and its Home Improvement Loan machinery. The Department of Munitions and Supply would be represented by at least two representatives, one from Wartime Housing, which is now actively rushing to completion thousands of temporary housing structures, and C. Blake Jackson, Construction Controller, whose interests run for the most part in the opposite direction to that of Wartime Housing. Mr. Jackson's job is to put a curb wherever possible on any or all construction which uses critical war materials or supplies.

Another important interest would be that of D. Stairs, Director General of the Defense Projects Construction Branch of the Department of M. & S. This branch has awarded contracts valued at $313 millions. Contracts to the tune of $52 millions were placed in the quarter ended Sept. 30.

Co-ordinating Authority Needed

What has been long discussed and long overdue has been some co-ordinating authority to tie these various housing and construction authorities together. The appointment of Mr. Smart as Administrator of Real Property, with wide and extended powers in his especial field, and the added authority given in recent days to the Construction Controller, are admittedly steps in that direction, yet they fall short of the broader goal.

Mr. Jackson's new authority includes extended power over the use of critical material in housing, and the power to require a permit for construction of all houses costing more than $500. The previous limit was $5,000.

Behind these moves and the attempt to form a co-ordinating committee at Ottawa is the increasing pressure on housing from all sides as manpower and material shortages impinge increasingly on the worker congestion in war areas.

Concentration Plans Held Up

(Continued from page 1)

ment. Look at any curve of monthly employment in Canada and it will be seen that even in wartime, as many as 100,000 to 200,000 men are released from construction and other seasonal employment between November and early spring. It is not expected that there will be any variation this year even though the numbers so released may be smaller than usual. A tentative estimate of the number of men and women made available toward the year end is placed at something above 100,000—perhaps considerably more. Many of these will shortly become available. They may (it is felt) go a considerable way to ease the current manpower load and defer drastic curtailment action in many industries until early in 1943.

Another limiting factor in a speedy and ruthless transfer of manpower is the obvious lack of housing accommodation in areas where men are required. This fact came home forcibly to Ottawa officials at the week end when it was learned that many of the gold miners who had been brought into Sudbury to aid the International Nickel Co. were threatening to return home because they could find no accommodation. This situation highlighted a fact which Selective Service officials well know, namely that if housing and other amenities are not properly organized in advance, there may be a wastage rather than a gain in manpower in any large-scale transference scheme.

Other factors which may have some bearing on the whole curtailment programme are: the continued absence of Messrs. Howe and Ralston in England where they are studying manpower problems and war programme at first hand. In this connection the recent ultimatum of Donald Nelson that the U. S. must soon decide how big a fighting force it can efficiently maintain, is considered highly significant. There is also the important and sobering fact that in Canada little or nothing has been done as yet to curb widespread absenteeism in war industry and to utilize to the fullest extent the manpower already employed.

There has also been a very half-hearted response in many areas to the Ottawa insistence on labor-management production councils.

There is also a certain impatience among some "non-essential" industries which have taken the curtailment programme seriously, and whose "programme" is said to have been pigeon-holed for some weeks now.

Urban Transit Problem Speeds Toward Crisis

(Continued from page 1)

speeding up traffic, thus permitting the same vehicles to carry more passengers. To this end thousands of street car stops have been eliminated.

3. A survey of war industries to ascertain how employees get to work—whether by car, street car, bus, bicycle, train or on foot—has been almost completed. Preliminary figures indicate about 25% of Canadian industrial workers depend on automobiles. This is leading up to a group riding scheme for war plants, soon to be instituted, whereby employees with automobiles will get a special gas allowance provided they drive fellow employees to and from work.

4. Transit companies have been encouraged to educate the public about when not to ride the street cars and buses if it isn't absolutely necessary. (One concern illustrated the peak hours of traffic with a picture of a camel and advised people to "ride between the humps.")

Not only urban but interurban travel has gone up sharply since gas rationing came into effect last April. Increases in interurban traffic from April to August range from 30 to 90% with the larger bus lines, and some smaller lines report increases of 150 to 190%.

Here are figures showing the passenger increase on urban facilities in August compared with August a year ago:

Vancouver, 27%; Edmonton, 36%; Calgary, 51%; Regina, 25%; Winnipeg, 26%; Fort William, 33%; Hamilton, 32%; Kingston, 62%; London, 31%; Oshawa, 48%; Windsor, 76%; Toronto, 22%; Montreal, 24%; Saint John, 31%; Halifax, 47%.

At Sept. 30, these were the cities which staggered hours and the number of workers affected in each.

Vancouver, 21,000; Winnipeg, 6,000 (10,000 more to start almost immediately); Windsor, 30,000; Toronto, 124,000; Ottawa, 7,000 (25,000 more soon); Montreal, 30,000; Halifax, 1,000.

It's quite possible that the figures quoted are far under the actual mark, as it may be that many firms have voluntarily staggered hours without reporting.

Saving Equipment

While trying to ease congestion on transit facilities, Mr. Gray has at the same time moved to preserve equipment—this in the realization that in all probability transit systems will have to get along for the duration with what they have now. Production of buses is practically at a halt, and while 50 new street cars are expected, these are all earmarked for Vancouver, Toronto and Montreal.

In Victoria bus mileage has been curtailed 256,000 miles a year; in Vancouver, 90,000 miles; in Toronto, 500,000 miles; in Montreal, 1,200,000 miles, and in Quebec City 106,000 miles—a total of 2,152,000 miles.

The curtailment in interurban bus travel is even greater and approximates 11.4 million miles.

Among other things the transit controller has established 41 new bus services to war industries and 25 to military and air training centres. This means a saving in gasoline and tires, since it reduces the use of taxi cabs.

Mr. Gray's surveys have brought out the fact that there are in Canada 3,908 motor buses owned by transit systems. There are also 10,300 taxis—one cab to every 1,124 Canadians.

Perhaps Canada Can Supply Your Raw Materials!

If your former sources of raw materials have been cut off, it's time you called on our Department of Industrial Development. We can advise you . . . and perhaps help you to find new sources of substitutes.

Back of this Department are years of experience and accumulated first-hand information on Canadian resources and raw materials. It is, in effect, a clearing house for such information as well as for industrial information . . . sites . . . labour . . . fuel . . . power . . . agencies . . .

This Department is at your disposal. Your problem will be treated as confidential and the service offered is without charge or obligation.

Canadian Pacific
DEPARTMENT OF INDUSTRIAL DEVELOPMENT
With offices in the following cities:
MONTREAL TORONTO
WINNIPEG CALGARY
VANCOUVER
LONDON, ENG.

Nothing Matters Now But Victory. Subscribe to the New Victory Loan 1942.

New Quebec Bloc Threat to Unity

(Continued from page 1)

conditions . . . there is no reason for the Quebec workman, whose productive value is known, whose family obligations are heavier, to receive a salary inferior to that paid elsewhere."

Other planks in the "economic" platform included "an extension of the co-operative system" as well as the establishment of "a Christian social order" which will "no longer tolerate in the life of Quebec what is termed the economic dictatorship."

Chief strength of the Raymond bid for support is thought here to lie in the timeliness of his appeal ("the public has lost confidence in the political parties as they are at present represented") and in Mr. Raymond himself.

Beef Battle Still Rages

(Continued from page 1)

special treatment, remains to be seen.

But hardly was the ink dry on this new price order when Mr. Gardiner bobbed up with a headline statement from Washington which observers here believe was entirely contrary to the spirit and intent of the earlier Gordon-Gardiner compromise.

Mr. Gardiner is reported to have told a press conference that Canada would probably have to lift the ban on Canadian cattle entering the United States.

Were this to happen it would mean that Mr. Gordon had not only lost his fight to keep beef prices down to a reasonable level within the price ceiling, but that he had also yielded ground to Mr. Gardiner in respect of cattle exports.

At the moment, few people believe that Mr. Gordon will let Mr. Gardiner have things all his own way to that extent. There is considerable anticipation to see what the unyielding and resourceful Mr. Gordon has up his sleeve when he returns from a short holiday.

Meanwhile a heavy flow of cattle has started to move again through the great Toronto stockyards that have been practically bare of beef cattle for weeks. Most experts attributed the condition to the higher price ceiling. By mid-week more than 5,000 head of cattle had been received at the yards, with the flow expected to continue.

The new ceiling price, $17.25 per cwt. instead of $15.50, is on dressed beef, not in livestock. The farmer gets about 75 cents of the increase.

Generally speaking, the increase in retail price is expected to be of a limited nature, possibly two or three cents a pound.

Plan Extension To Gas Plant

To Spend $3.1 Millions at Hamilton on 54-Oven Unit

Plants in the Hamilton area will be better supplied with gas and coke this winter through the extension of Dominion-financed gas facilities under the management of United Gas & Fuel Co. The Department of Munitions and Supply has announced that it will increase expenditures on a new gas plant to serve war industries to $3.1 millions from the initial outlay of $2 millions.

The $2 millions programme contemplated construction of 36 ovens to supply around 7.5 million cubic feet of gas. The additional expenditure will allow construction of another 18 ovens and bring total gas production to 10.5 million cubic feet daily. A substantial amount of coke will also be made available. It is expected production will start in December.

Last June seven acres were acquired for the gas plant. The enlarged programme has necessitated another 2½ acres. T. P. Pinckard, general manager of United Gas & Fuel, operating the Dominion-owned plant, states that the development will not make more gas available for domestic use, all the increase going to meet industrial demands.

Selective Service Setup Still Hitting Snags

Employers Point to Weaknesses, But Tend to Excuse Shortcomings Because of Haste With Which Huge Task Was Tackled

A survey of the experience of employers in Toronto with the recently expanded National Selective Service set-up reveals dissatisfaction with results. At the same time there is a widespread tendency to excuse shortcomings on the ground that the job undertaken was so great and the time so short that trouble at first was to be expected.

On the other hand, those to whom The Post spoke frequently mentioned that National Selective Service was "doing the best it could," giving "full co-operation," and "doing everything they can to satisfy our requirements." It was mentioned more than once that improvement had been noticeable following a period of admitted confusion early in September.

Chief criticisms noted include:

1. Failure to make proper selection of workers sent to answer requests for employees.
2. Waste of time resulting from this failure to make proper selection, a condition hard on both worker and employer.
3. Serious dissatisfaction with the way new job advertising regulations are working.
4. Failure on the part of clerks at National Selective Service offices to interpret properly and follow the regulations under which they operate.

One man said he was "convinced National Selective Service had sent him anybody they did not want anywhere else." His complaint was that voiced most frequently and suggested that the preliminary selection of prospective employees was far from being what it might have been. He mentioned that obviously unfitted people have to be interviewed, with a waste of time on his part and on the part of the person seeking the job.

Wants To See Letters

He felt much could be done to make it easier for Selective Service, the applicants and himself if he could have access to letters of application received in answer to his advertisement, inserted over the name of N. S. S. This had been refused.

N. S. S. officers now assure The Post that letters of application are being released to advertisers.

He had found delay occasioned by necessity of obtaining permission to advertise for help, in his case made worse by reason of the fact that permission granted in Toronto to advertise in a Toronto paper did not hold good if it was desired to advertise in a national publication. In the latter case it was also necessary to obtain permission from Ottawa, a detail he considered unnecessary "red tape." The system of making out permits to seek work, and naming a specific employer, he felt to be unfair, particularly to the applicant who had to go back and get a new permit if found unsuitable where sent first.

Letters Misdirected

Another man complained bitterly of the length of time it took to obtain permission to run advertisements in publications outside Ontario. He stated he had been given permission in the first place to receive letters of application and make a preliminary selection from them. He received the letters from Ontario without any particular difficulty but was refused those from outside offices of N. S. S., eventually obtaining them with difficulty.

When the copy for his advertisement first went over to N. S. S. he had asked if they did not want to use a check number to identify letters and advertisements. This had not been considered desirable by the clerk, but a week or two later they had to telephone him and ask if this particular advertisement was the one he had inserted, a difficulty which use of a check number would have eliminated.

Placing Responsibility

Some employers complain that qualified persons who have complied with required formalities so far as can be ascertained have been refused permits to take positions in a new location for which their training and experience fitted them.

The example is given of a druggist in an Ontario town who desired to obtain a position advertised by an industrial firm in another city where his training would be of help. This druggist was refused a permit on the ground that he was needed where he was.

Enquiry from N. S. S. officials reveals that decision as to whether or not a particular permit to seek a particular job will be issued is the responsibility of the chief employment officer in the district involved. He has to interpret the regulation as set out in the order-in-council. The actual details may be handled by his subordinate but the responsibility is his and any appeal could be made to the employment officer.

Unqualified Persons Sent

The employment manager of a large industrial firm engaged in war work told The Post that unqualified persons were being sent to firms, resulting in waste of time for everyone; that interviewers at N. S. S. headquarters were not properly qualified. They did not know what to expect or what to seek.

This firm felt that advertising was of little help at present. It has not asked for letters received in reply to advertisements. In the first week after N. S. S. took over control of employment, this firm had trouble getting any calls from prospective workers. The number of calls from applicants is now around 60% of normal immediately preceding last month. Complaint was made that the forms required had not been ready for a week after the new regulations went into force.

Breaks Own Rules

A more serious complaint from officials of this firm was that inexperienced clerks at N. S. S. had told workers they would waive the requirement for seven days' notice before leaving a job. On checking with a senior man on this point they had been told that no such change had been authorized and that this was clearly breaking a fundamental regulation.

From another source, The Post got a similar story. A large employer in Toronto, using many women, had been receiving applicants recently without the required permit to seek work. Questioned, these applicants had told the employment manager that they had been told they would get a permit when they had a job. This company had not yet found out whether this was evidence of relaxation of regulations or an indication that some clerk who did not know his job was failing to comply with them.

It was emphasized by more than one that a condition such as this, where one superintendent makes a rule only to have another break it, would wreck any organization.

N. S. S. officials explain that recently a temporary registration permit has been used. This is not a permit to seek work but merely a registration, good for a few days and requiring further formalities on expiration. It is suggested this procedure was not fully understood by either workers or employers.

The employment manager of an industrial plant told The Post his firm was "getting lots of men but not always those adapted to the positions to be filled," a fact he laid to inexperience at N. S. S. offices. He emphasized that his firm had no trouble getting co-operation and that N. S. S. was doing everything it could to satisfy his needs.

A department store personnel manager said his concern was "doing all right" and that N. S. S. was "making better selections now than at first." His procedure was to send N. S. S. an order for help needed, and, if it was not filled in three or four days, to have an advertisement authorized. This firm did not find the new system as satisfactory as the old one of having applications made at its own office, but was not severely critical.

Canadian Grocer mentions the troubles of a small employer seeking permission to hire a messenger boy, an experience summarized as follows:

"Arrived at Selective Service at 1.30 p.m., Wednesday; about 1,000 people there; at 1.45 got through to the information counter; told to see somebody on the fifth floor; had to walk up—no elevator; at 2.15 got in touch with his man; told to see Mr. So and So on second floor; went down to second floor, walking, of course; after waiting 30 minutes, or at 2.45, found himself in the presence of somebody; was told to fill out an application form (which he did) and to take it up to someone or other on the fifth floor; went up to fifth floor (no elevator) and in the course of another half hour, or at 3.15 found himself in the presence of an official who politely informed him that he didn't need to put an advertisement in the paper at all, that the Selective Service Department would send him the messenger desired. At 3.30, or two hours after his arrival, he made his exit, happy in the thought that even after this ordeal he would have a messenger. At the date of his conversation with Canadian Grocer, five days later, the boy was still awaited; now he has to return to get permission to insert the advertisement."

Create Board to Settle Engineering Dispute

From Our Own Correspondent

MONTREAL.—A board of conciliation and investigation under the Industrial Disputes Investigation Act has been set up to deal with the dispute between the Dominion Engineering Works, Longueuil, P.Q., and its employees, members of the Metal Trades Council of Montreal and vicinity.

The dispute, which is said to affect 2,600 employees directly, has arisen out of a request for union recognition and a collective agreement.

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Investment Notes

Imperial Tobacco Co. of Canada's volume of cigarette sales this year is running well ahead of the like period in 1941. This is indicated in government figures on cigarettes released for consumption, the number for the first nine months amounting to 6,332 millions, an increase of 17.3% over the 1941 returns.

• • •

Margin trading with members of the Montreal Stock Exchange and Montreal Curb Market showed a moderate improvement in September as indicated by bank loans which increased $177,559 to $5 millions. At the end of September last year loans aggregated $5.7 millions.

• • •

Second Inter-State Royalty Corp. reports investments at the end of September had a book value of $279,306, while gross income since acquisition of royalties amounted to $66,757 to August 31, 1942. During August gross income totalled $824, while accumulated income for 1942 amounted to $7,905.

BRITISH FIRM
desires to license or sell Canadian Patents numbered 385,275, dated November 28th, 1939 and 387,601 dated March 26th, 1940 on Window Glazing Means, of special interest to metal sash or rubber companies. Ernest E. Carver, 789 W. Pender St., Vancouver, B.C.

HOWEVER YOU TRAVEL . . .
CARRY YOUR MONEY SAFELY
Canadian Pacific Express
TRAVELLERS CHEQUES

HE SAYS: *I built that house.*
HE MEANS: *I directed its construction.*

• HE DIDN'T actually lay the bricks and drive the nails. He hired specialists for those details. He told them what he wanted and they did it, leaving him free to carry on his regular business. The same method is possible in the management of assets for your family or yourself. By placing securities, real estate or other assets in an Agency Account, to be managed by the Crown Trust Company, you retain control without expending time or worry over details. You can retain any desired degree of supervision. Let us explain to you in person the workings of an Agency Account.

Ask for a copy of our booklet "Agency Service"

Crown Trust Company
Executors :: Trustees :: Financial Agents
MONTREAL TORONTO

This Week The Financial Post Asks

What would make our Army more attractive to recruits?

H. S. Anslow

Editor and proprietor, Hants Journal, Windsor, N.S.

Glorify the valorous deeds in the Great War and other wars. Exploit the anniversaries of Givenchy, Somme, Passchendaele, Vimy. Dramatize the heroic exploits and the winners of the Victoria Cross and other awards of heroism.

Do the utmost to counteract the insidious pacifist propaganda of pre-war years, and endeavor to make every community soldier conscious and proud of honoring its sons in the army. Stress the fact that the Canadian Army will be marching in the enemy territory when victory is proclaimed.

Keep alive the spirit of last July's Army Day throughout the year. Publicize enlistments each week. Emphasize the educational facilities and other advantages the present day Canadian soldier enjoys.

• • •

Major W. C. Butler

Veteran officer, first Great War, and office manager, Canadian Breweries Ltd., Toronto.

I think the present conditions in the army are attractive enough that any young man should not hesitate to enlist. They have plenty of good food, are well clothed, lots of recreational facilities and have opportunity for promotion.

In order to assist the soldier, I would suggest that he should be granted leave and free transportation to his home town within three months after enlistment and each six months thereafter during training. Many soldiers are stationed at considerable distance away from home and the cost of railway fare is prohibitive. There should also be liberal treatment in the matter of allowances granted to dependents of single soldiers because in most cases they would be assisting in support of the home had they not enlisted.

In order to build up public morale I think certain newspapers should cease their continuous carping criticism of our war effort as it destroys the confidence of the soldier in his superiors.

• • •

Lt.-Col. Alan Cockeram

Veteran officer of the first Great War and former member of parliament.

Smarten up the dress of the army so that it compares favorably with that of the other services.

Young men have the idea that the army is the least interesting of the three services. My idea is that by education the real duties of the army and the nature of specialist and trade training should be publicized. Emphasis should be stressed on the point that sooner or later the monotony of training will disappear and the army will come into its own. When that day comes the glamour and adventure of the army will equal, if not surpass, that of the other services.

• • •

C. F. Davis

Editor, Citizen, Kipling, Sask.

It is difficult to give a definite answer to this specific question and I can only point to the success of the Air Force in making their appeal attractive. I suggest the army make a comprehensive and detailed analysis of this appeal and apply the same factors where possible.

They certainly could emphasize that the modern army is a streamlined force, and depict soldiers as intelligent, highly-trained men operating and directing efficient implements and machines of war. It is essential at any rate that such a picture replace the present general conception which leaves the army in the shade in comparison with the Air Force. I doubt that this would be detrimental to Air Force recruiting but think it would increase the total pull for recruits.

• • •

Maj.-Gen. J. H. Elmsley

Of Toronto, veteran regular officer first Great War.

I regard the continuances of civil education and trades in preparation for return to normal life of paramount importance and interest to recruits.

• • •

Col. H. W. A. Foster, K.C.

Veteran officer of last war, prominent Toronto lawyer.

1. Relieving the mind of the recruit from worry by treating his dependents fairly in the matter of the cost-of-living bonus and at all times so that his mind will be at rest as to their well being.

2. By conscripting all citizens for war service in her Navy, Army, Air Force, factory and mine and on the farm, or for other work so that he will not compare his lot unfavorably with that of his brothers who have stayed at home.

3. By reassuring him as to his re-establishment after the war.

• • •

L. G. Gage

Editor, News, St. Johns, Que.

Prospective recruits still know little if anything about the army of today and therefore are not in a position to decide for themselves whether present army conditions are attractive or not. With few exceptions, mostly localized in character, present army conditions should prove attractive and interesting. Main fault lies with lack of patriotic enthusiasm which must be stimulated by more and more martial music. What the army needs today is bands to attract prospective recruits. Once in the recruits will find the life interesting enough.

• • •

Brig.-Gen. John A. Gunn

Veteran officer first Great War, Sun Life Assurance Co., Toronto.

We should arouse the ordinary citizen to his personal responsibility to our serving men.

Today I was speaking to a soldier who recently spent his leave in an American city. The warmth of his reception—being stopped continually on the street and asked if something could not be done for him—so impressed the man that upon his return to duty his reaction was: "Why do not our own people show the same affection and regard for their own serving soldiers."

Actions speak louder than words or money, and let us start today to develop the personal touch.

Another thing that would help greatly would be one active service army where every soldier would have the same status within the army and his own unit.

• • •

F. X. Jennings

Editor-in-chief, Telegraph-Journal, Saint John, N.B., and president, Saint John Branch, Canadian Legion, B. E. S. L.

Regarding recruiting, may I confine my remarks to the Veterans' Guard? At the present time only veterans who have held commissions are eligible to become officers in the Veterans' Guard. Thus many who might enlist in the Guard do not because they have no hope of rising higher than warrant rank. This, to my mind, is unjust discrimination against veterans who through no fault of their own finished the last war in the ranks and have had no opportunity since then to obtain commissions.

A large number of younger veterans would be included in this group—men who saw service in 1917 and 1918 — who were undoubtedly officer material, and who would likely have received commissions had the Great War lasted much longer. The Veterans' Guard is now crying for recruits, and among the best prospects are many of the younger ex-service men who, I believe, would enlist in the Guard were the opportunities of promotion to the commissioned rank placed on the same basis as those in the Canadian active army.

• • •

W. Q. Ketchum

Editor, Military Gazette, and 1914-18 veteran.

The army would be more attractive if soldiers' wives were given a cost-of-living bonus and if the pay was revised to mesh with present conditions. Men should have the assurance of generous provision for dependents of fallen soldiers and that they themselves were guaranteed adequate rehabilitation following discharge from service.

I advocate more promotion from the ranks in the Dominion and overseas, and greater publicity for the achievements of ordinary soldiers.

Parades of war equipment and greater use of good military bands would stimulate recruiting.

Soldiers should have a place of honor and receive more individual hospitality from civilians. They should salute only on parade as they do in the United States Army.

• • •

Lt.-Col. Sidney Lambert

Great War chaplain and attached in same capacity to Christie Street (military) Hospital, Toronto.

To make the army more attractive to recruits I suggest:

1. The cause for which others have volunteered in thousands be brought very forcibly to the attention of Canada's youth who are eligible for service.

2. That the supreme sacrifice of our boys who have already died and the sacrifices of the missing and wounded be recognized by the youth living in this warfree land and that their places be filled by them.

3. That the rates of pay for all service and allowances for their dependents be raised commensurate with the service given and sacrifice made, so that they will at least have parity financially with those who stay at home.

4. That their future shall be safeguarded whether they return fit or unfit physically.

These several points I feel sure would help a great deal in filling the ranks of the force. Conscript them all.

• • •

Walter J. Macdonald

Prominent accountant, Winnipeg, and 1914-18 veteran.

As an ex-ranker and ex-officer from 1914-1918 in all technical aspects the army seems much more attractive now than then. On the other hand 75 per cent of men enlisting in the services from this office have gone into the Air Force. The reasons are these:

1. Army houses its personnel for training in tents, old or remodelled buildings, or cheaply built hutments—the Air Force in new, well-built barracks.

2. The army offers no certainty of rapid promotion to efficient, well-educated non-C.O.T.C. men as does the Air Force.

3. Army press publicity does not rival in color and appeal that shown heretofore by the Air Force and Navy.

4. Army uniforms are not as attractive as those in other services.

Generally speaking the army policy in elements conducive to recruiting has been more penny saving than in the other services.

(Continued on page 10)

Let us be worthy

THE Battle of Britain! Hope and inspiration for all mankind!

A little island, with one-third as many people as the United States, a quarter as many as Russia, half as many as the German-speaking nations . . . able to summon a mere handful of dauntless young air fighters . . . Britain stemmed the savagery of the mighty Luftwaffe, breasting single-handed a tide that threatened to engulf the world.

Defying U-boat, mine and bomb, Britain's navy kept the sea-lanes open . . . in the Atlantic, in the Pacific, in the northern and southern seas . . . So precious cargoes of food, weapons, munitions came safely to world ports.

And to-day, on a dozen fronts Britain fights on, in comradeship with those peoples whose future, as well as her own, she toiled and bled to safeguard for so many desperate months.

The Union Jack, symbol of that fortitude, sacrifice and undaunted leadership, has a special significance for Canadians. - Let us be worthy of its proud record in our united fight for Freedom.

THE DOMINION BANK

C. H. CARLISLE
President

ROBERT RAE
General Manager

Dr. Clark on the Tax Outlook

Deputy Minister of Finance Forecasts Post War Tax Changes

The financial strategy of Canada's war effort was outlined by Dr. W. C. Clark, Deputy Minister of Finance, in a recent address at Montebello, Que. He outlined the theory and practice behind the present tax structure. Following are excerpts from his speech, which is of especial interest to Canadian business because of the important part played by Dr. Clark in determining the future course of taxation.

By DR. W. C. CLARK
Deputy Minister of Finance

I shall attempt to answer three broad questions. They are these:

First—Are our present high taxes too high?

Second—Are they reasonably fair and equitable?

Third—Are they likely to last forever?

In 1940 when the machine was starting to roll, we felt able to go to the public with the First War Loan and, later in the midsummer budget, to impose increased taxation. But this loan and these tax increases were of moderate, indeed of modest magnitude. Policy was being gauged in such a way as to get the funds required by the state but without running the risk of slowing down the machine.

In 1941 we had reached a fairly advanced stage. Employment and production had increased tremendously. We could see that we were approaching the zone of full employment, and that the task to be accomplished would increasingly become not that of taking up existing slack but of diverting resources from civilian use to war production.

The tax increases imposed in the budget of 1941 were very heavy, measured by Canadian standards—some people thought they were too drastic. The results proved, I think, that we had not made a bad guess. At the same time and for some time previously we had been pushing more aggressively campaigns designed to get the public to buy out of current income an increasing volume of war bonds and war savings certificates.

1942 Budget

Finally came the budget of June 23, 1942. We could see that we were now in the stage of full employment and what has been happening in recent weeks has led the public to see it also. This budget was a really stiff one, a budget appropriate to an advanced stage of a total war effort. There was an enormous financial job to be done, a task far greater than anything ever contemplated anywhere in the world before by a country of this size.

Just look at the facts. Total Dominion expenditures for the current fiscal year were estimated at $3,900 millions. That figure is seven or eight times our total prewar expenditures. It is roughly equal to the total national income of Canada in the year preceding the war and considerably greater than that national income was during the bad years of the depression, even making allowance for some increase in prices.

This brings me to my first question. Is this fiscal policy too realistic? Are our present high taxes too high? That is a legitimate question, but do not forget that it is just as legitimate and just as important to ask: Are our present high taxes too low?

Whether our present taxes are too high or too low is merely part of the general question of how far taxation should be carried in order to finance a war. **Theoretically**, when a major war has reached an advanced stage and the country is in the stage of full employment, there is much to be said for financing its total cost out of taxes. Why? For two reasons, one a practical one and one a theoretical one. The practical reason relates to the desirability of entering the postwar period with relatively a low debt structure, even though the debt is wholly internal.

A high internal debt may involve no added burden to the economy as a whole, but in my personal opinion it makes the task of the financial authorities somewhat more difficult (for instance, it makes it less easy for them to use fiscal policy as a means for stimulating the economy if economic conditions require such stimulus), it may lead to public controversy in regard to fiscal and financial policy, and it may create psychological or real deterrents to business activity unless financial policy is wisely handled and widely accepted.

Real Costs of War

The theoretical argument is based on the fundamental fact that the real costs of war must be borne by the generation which fights it. Apart from the loss of life and the human suffering, the real costs of war are the real things which are used up by the war machine during the course of the war.

If, say, one-half of the country's economic resources, one-half of our capital facilities, etc., must be devoted to fighting the war, we civilian consumers must go without the goods and services which that manpower, those materials, and those capital facilities would otherwise produce for us.

We and not the post-war generation (except to the extent that we let our capital facilities run down) must make those sacrifices today. By no financial sleight-of-hand can we pass our burden on to the oncoming generations. They will have their own price to pay but it will be of a different kind.

If, therefore, the real costs of war, by and large, must be borne by the generation which fights it, there is much to be said for making the financial program reflect the underlying realities of the situation. That would mean paying for the whole cost of the war by taxation as we go along. But that is only the **theoretical ideal.** It is not my view. We must be practical.

We must realize how difficult it would be to frame a tax structure high enough to feed the maw of modern Moloch and at the same time be fair enough to be tolerable. Taxation is after all a blunt instrument. The higher taxes are pushed, the more difficult it is to avoid undue hardships and intolerable inequities, the more difficult it is to take account of the infinite variety of individual circumstances. More important, perhaps, we must take human nature as it is, must realize its limitations.

Protecting Incentive

We need to protect incentive if we are to secure maximum efficiency, maximum production, maximum economy—and goodness knows these are the things we need to win a total war. In the long, hard, grinding struggle of a major war in which the fight must be carried on by all the people all the time, 100% taxation would discourage maximum effort, retard efficient production, increase economic waste. So while the arguments I have advanced make it desirable to go as far as possible to meet the total cost of war by taxation, we must be careful not to pass the point where higher taxes would cause a serious lessening in production and efficiency.

Where is that point? It is extremely hard to tell. It must always be a matter of judgment. In a soundly functioning economy with a healthy national morale, the level is always rising. In Canada the level is higher today than it was a year ago, far higher than it was before the war.

I am aware that there are criticisms that we have exceeded the proper limits in certain cases. I have heard it alleged that married women, particularly before the last change in the budget resolutions, had insufficient incentive to continue working throughout the full year.

High Taxes

I have heard certain apologists for labor absenteeism use high taxes as one of the excuses. I have heard it said that the very high income tax rates in the higher brackets of income, coupled with high succession duties, no longer leave sufficient incentive for the enterprising and resourceful business man of wealth. I have heard that the 20% refund does not put sufficient incentive into the 100% excess profits tax to secure maximum production, efficiency and economy. Well, there may be some Canadians in whose case these statements may have some validity, but I do not think they are true of the vast bulk of Canadian married women, Canadian laborers or Canadian business men, and where there is any validity in the statements I think it relates particularly to a transition period and is for the most part based on misunderstanding.

In three years our tax structure has increased to a level comparable with that of Great Britain. The spirit in which the British people have accepted drastically high taxation has been acclaimed time and time again all over the world, but it must be remembered that it took generations to reach their present level.

I want here and now to pay a tribute to the Canadian people. On the whole, their response to this Draconian budget has been magnificent, and the tribute our people deserve is all the greater because they have had so short a time to understand its implications, to learn why it was necessary and justifiable in their own interest. Besides paying this tribute, I want also to make an appeal to the public to study the budget in order to obtain a full understanding of the financial policies which we have been following, an appeal for cooperation in making them work.

Appeals to Business

I appeal particularly to the business men not to allow the 100% excess profits tax to discourage them or to lessen by one iota the efforts they are making to secure maximum production at the lowest possible cost. Do not allow high overheads to be built up during the war. Do not allow slack to develop in your organization. In proportion as you are successful in avoiding these dangers, you will find your business in a much stronger position to compete in the postwar world.

To summarize my answer to this first question, I would agree that the criticisms referred to indicate that our taxes are probably not too low, and I am confident they are not too high. I do not think we aimed too high when we sought to raise about 52% of our total expenditures by taxation.

Fairness of Structure

My second major question relates to the fairness of our tax structure. Have these high taxes of ours been levied with a reasonable degree of fairness and equity? The higher the tax structure, obviously the more obligations there is upon the taxing authorities to see that it is fair. Well, my opinion is that Canada has now one of the fairest, most modern and most scientific tax systems in the world.

During this process of steadily increasing taxes, we have really revolutionized our tax structure. We have steadily converted it from a system which relied mainly on indirect taxes, taxes on business costs and consumption, to one in which the main emphasis is placed on taxes levied on the principle of ability to pay and taxes on luxuries and non-essentials.

Before the war about two-thirds of our tax revenues were obtained from indirect taxes and only one-third from direct taxes. Not only are indirect taxes usually regressive in character, that is, they bear more heavily on low incomes, but also many of them tend to increase business costs and make it more difficult for our industry to fight world competition. Today those proportions are almost exactly reversed. This year, about two-thirds of our tax revenues will come from direct progressive taxation.

The backbone of our tax system is now the income tax, and I venture confidently to express the view that we now have probably the fairest income tax in the world. This high degree of equity has not been secured without complexity in the law itself or without administrative difficulties. We had to make our formula fairly complex in order to deal with special situations, and we had to throw great administrative burdens not only on our own income tax authorities, but also on private employers.

I want you to know that we realize how much additional work we have thrown upon you at a time when you are subject to so many controls and when you find so much difficulty in getting the necessary manpower. We appreciate immensely the spirit in which you have assumed these additional burdens.

Compares Cases

I could discuss this subject of fairness and equity at great length. I could take the possible complaint of, say, the $100,000 man who finds it difficult to meet his existing obligations with what is left after we take $81,137 from him. (I shall speak of single men only.) All I would have to do is ask him to consider the case of the $1,000 man, from whom we take $172 of that already low income.

My answer to this second question, in a nutshell, is that while we may not have achieved perfection it was not for lack of trying, and on the whole we have now a tax system at least as fair as that of any other country.

My third and final question is one which I understand is causing concern to some of you. Are these present high taxes likely to last forever? While certainly I have no authority to speak for any postwar government, nevertheless I believe I know something about the logic of facts and the logic of events.

Postwar Outlook

The same philosophy which has led to these very high taxes in wartime is likely to dictate a reversal of that policy in the post-war years. Today, demand is far in excess of supply. Consumer purchasing power is far in excess of the available supply of consumer goods and services. The taxing authorities therefore must through high taxes siphon off as much as possible of that surplus purchasing power if we are to avoid all the evils of inflation.

On the other hand, the postwar period is likely to pose an entirely different set of conditions. If we may judge by the record of the past, we are likely to see, after a temporary period of dislocation and hesitation followed possibly by a consumer goods purchasing boom, a period during which, unless the state acts aggressively and intelligently to prevent it, supply or potential supply may tend to be far in excess of effective demand.

What will then be needed is to safeguard against **deflation**, not to prevent inflation. If we are to avoid a long depression and mass unemployment, the policy required will be one of stimulation of the economy, one that will create expansionist tendencies, one that will provide incentives to expansion of production, one that will encourage the consumer to spend and expand his purchasing power, in short, one which will keep the national income from falling to abnormally low levels.

$3 Billion Gap

If we can keep our total national income up to anything like the present level, how easy it will be for us to carry a greatly increased war debt, to do the things that are socially necessary, and still to reduce taxes. Today the annual interest charge on our funded debt is only about $175 million. Before the war is over it may be greatly increased, and higher national defense expenditures may persist after this war. But remember that the gap to be filled by eliminating war expenditures will be something over $3 billions.

Surely, even if postwar governments may find it necessary to spend large sums on work-creating expenditure to avoid mass unemployment, there will still be lots of room left for reduction of government expenditures and taxes. Surely, also, a government which was following a work-creating programme to expand the national income, with one hand, would not, with the other hand deliberately defeat that expansionist policy by a deflationist taxation policy. These things seem to me to be obvious.

Some Leftist critics have asked the pointed question, why we have been able to raise billions to finance a war when it was thought to be impossible to raise hundreds of millions to solve unemployment during the depression of the 'thirties. The answer, it seems to me, is that in this war Canadians as a whole have found a supreme cause, a cause which they have thought worth while fighting for, paying taxes for, incurring debt for, and, if need be, dying for.

During the depression there was no such unanimity of thought or of ideal, and the expenditure of colossal sums of money to cure unemployment might readily have defeated its own end by discouraging expansion of enterprise on the part of business men and making consumers even more timid in the purchase of houses, automobiles and other durable goods.

Let us Canadians agree upon a postwar objective. Let us go out as a united nation to achieve it, and we shall achieve it. Fortunately, we are not very far apart in our social and economic objectives. We agree pretty generally on what is for us the good life. The war I think, is bringing us even closer together.

The Shareholder

The real position of dividends in the national income of Canada is a point that needs clarification, R. J. Deachman indicates in a recent letter to The Financial Post. He makes two main points—first, that a large share of dividends paid by Canadian companies go to residents of other countries; and second, that taxes of various kinds so cut into the portion actually going to Canadians that the net gain is much smaller than usually believed.

It is in the first point that the chief source of the wide gap exists between the report of the commission on Dominion-Provincial Relations on investment income and that arrived at from The Post's aggregate figures for dividends declared by Canadian companies. The studies of national income made by the commission indicate that at least one third of all dividends paid in Canada go to residents of other countries. Recognizing the weakness of such aggregate figures, The Post has for some time been also publishing an index of dividend payments as a better indicator of actual trend of payments. This index eliminates duplications such as arise out of payment of dividends to other Canadian companies which in turn make payments, payments by subsidiaries to parent companies and payments going largely to other countries.

* * *

Taxes take a huge, but hard to estimate, share of the dividends and interest paid to Canadians, a slice increased far out of normal proportions under today's tax structure. It highlights the plight of those dependent to any substantial extent on income from accumulated savings, usually received as interest or dividends. But it has also brought the beginnings of an emphasis in investment policies on capital gains which are tax-free in Canada, as opposed to regular interest and dividend return.

Mr. Deachman states that "Dividends normally come out of the pockets of the consumer. This does not always follow." He lists as major exceptions the dividends from mining companies and from companies who export their product.

It is to be questioned if the consumer is "normally" the loser by dividends paid. Some of the biggest dividend payers in industry have reached that position by steadily reducing costs, increasing volume and lowering prices. It can hardly be said that the dividends of automobile companies come from the pockets of motorists when prices of cars have tended downward for some two decades. It is true that where there are dividends there are usually profits, and theoretically the product would be cheaper if those profits were abolished, but in the great majority of cases profits now represent only a cent or two of the consumer's dollar.

* * *

That slim profit margin could well be regarded as a sort of insurance premium that the consumer pays. It is a guarantee to the public that if any cheaper way of producing or distributing merchandise can be found it will be worth the while of some enterprising firm to do it. Normally, the firm which does not earn profits is the one which is taking money from the consumer, since its losses will generally be the result of excessively high costs and prices, poor service and location, and so forth. This does not refer to firms which suffer losses as a result of wartime restrictions or other uncontrollable hazards.

Mr. Deachman is apparently aware of the implications of the present situation, since he adds, "A competent study . . . might reveal that the profit and loss system has already disappeared so far as the investor in equities is concerned and that critics of the present system are beating the ambient atmosphere in vain; the end they seek may have been reached, the profit gone, only the loss remaining."

Market Opinions

Evidence of greater confidence appears growing in New York but nothing like a rush for stocks has developed.

Business Week, N.Y.—Confirmed Dow theorists are ready to play it as a bull market with no reservations. After tracing out a horizontal line for most of the summer, the market finally broke loose and headed upward. Faithful chart followers cite the script of Dow and Hamilton to prove that this means a bull market with no strings attached. Most traders, however, are still waiting cagily for confirmation. They remember the disappointing little rallies during the long bear market when optimists rushed in and got their heads chopped off. Even those who trust the averages ordinarily don't like to put much faith in the theory of lines.

* * *

Journal of Commerce, N.Y.—Increasing attention is being paid to expansion of expendable income in hands of the population. Since consumer goods will not be available in sufficient volume to absorb such expendable income, it is felt that a large proportion of these funds may go into corporate securities. Some observers make much of the fact that increased incomes are going largely to wage earners and farmers who are not accustomed to invest surplus income in securities . . . Small investors are again showing increased interest in securities.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	59.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	83.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	76.0	56.0	61.2	47.5	97.7	75.3	98.3	73.1	66.9	71.9	67.8	61.6
1942: Weekly Figures:												
Sept. 3	75.8	54.7	59.7	48.4	98.3	75.2	96.9	71.8	66.1	69.8	67.3	61.5
Sept. 10	76.3	54.7	59.7	48.7	98.3	74.0	97.4	71.0	65.7	68.4	67.1	61.5
Sept. 17	77.0	54.8	61.3	49.0	100.0	73.5	96.3	71.0	67.0	69.2	68.2	62.0
Sept. 24	78.8	56.3	61.9	49.5	101.1	74.0	99.6	71.5	68.4	68.7	70.0	63.2
Oct. 1	79.3	57.7	65.1	48.7	99.6	75.3	101.6	71.4	67.1	69.6	71.4	63.6
Oct. 8	81.2	58.5	63.5	51.5	100.7	74.0	99.2	71.1	68.0	70.0	71.9	65.3

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Oct. 13	88.59	51.13	61.64	15.67
Oct. 12	Holiday			
Oct. 10	88.42	51.65	61.49	15.57
Oct. 9	88.31	50.46	61.30	15.58
Oct. 8	87.99	53.05	60.87	15.61
Oct. 7	87.65	55.40	60.35	15.56
Month ago	83.45	59.09	58.87	15.55
Year ago	94.02	97.63	69.70	19.26
High 1942	93.50	83.71	71.01	18.86
Low 1942	79.85	50.36	58.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Oct. 13	44.4	55.8	52.0	57.03	33.47
Oct. 12	Holiday				
Oct. 10	44.4	56.0	52.2	58.09	34.76
Oct. 9	44.2	56.1	52.1	58.09	34.42
Oct. 8	44.0	56.1	52.1	56.67	35.35
Oct. 7	43.8	56.0	51.9	54.84	36.92
Month ago	42.3	54.4	50.4	50.43	38.58
Year ago	46.1	61.5	56.6	77.77	70.21
High 1942	44.8	60.5	54.7	77.18	54.82
Low 1942	39.6	53.5	49.8	47.80	33.47

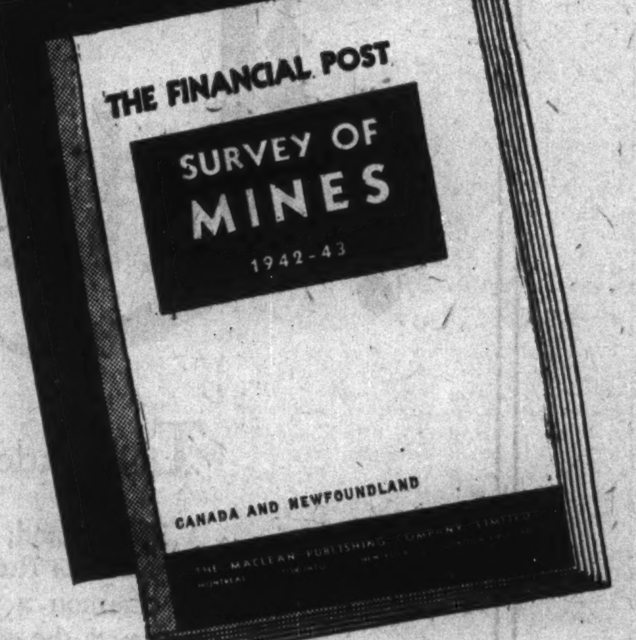
Sales in Windsor these days are limited only by manufacturers' abilities to supply enough goods

. . . so great is the impact on stores from the more than 39,000 industrial workers drawing an average pay 30% higher than in any other Canadian city.

The Windsor Star

Sept. 1942 circulation 53,976
5,300 daily more than in Sept. a year ago.

WINDSOR ONTARIO



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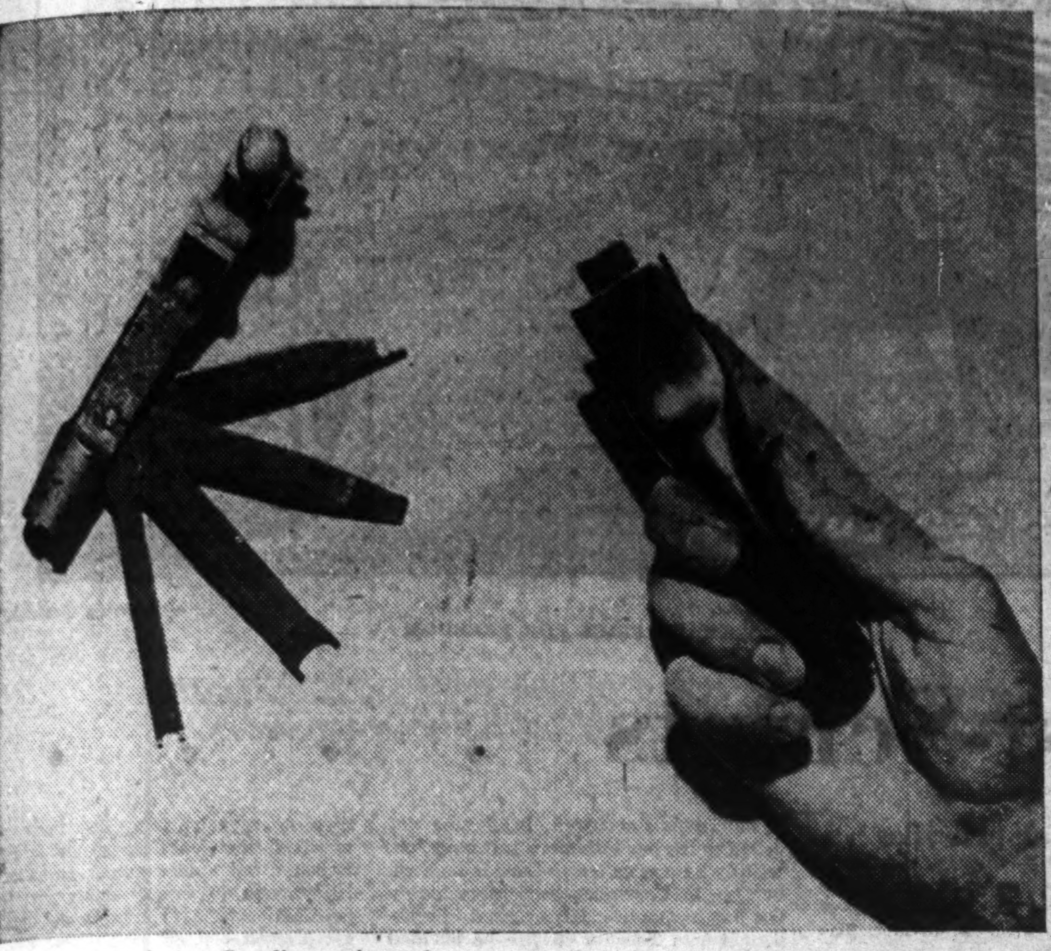
"Tremendous Trifles" Save Millions

Simplified Tool is Example of Thrifty Ingenuity



In scores of ways Canadian engineers have altered designs and methods of producing materials for war, amounting in the aggregate to many millions of dollars. One of these methods is shown above, a complex tool for the Bren gun, weighty, requiring much machining, has been replaced by the simple implement at the right

By STAFF WRITER

OTTAWA.—This is the story of a tremendous trifle. It is a story which a thousand or more of Canada's top-ranking prime contractors will see and hear for themselves Oct. 17 when they meet in Toronto at a conference sponsored by the Department of Munitions and Supply. It is a story of what may be accomplished in conserving materials, manpower and machine tools in the production of weapons of war.

It is a story which is being duplicated a hundred or more times already in many plants across Canada, and which it is hoped will be duplicated thousands of times as Canada's new nation-wide drive to save, to substitute and to simplify gets under way.

The tremendous trifle (illustrated in an adjoining column) is a *Bren* combination tool. That means it is a repair "accessory" which, according to the original British specifications, must be produced with every Bren gun and placed in the repair kit in case of emergency. So long as Canada undertook to produce Bren guns, each had to have one of these accessories as part of the hundreds of "extra" items which, according to contract, had to be manufactured to precision fineness and supplied to the armed forces.

Original Tool

The original "tool" consisted of a steel body forging, machined with no less than 49 operations. Attached to this forging were four blades, also machined to close tolerance. Attached to one part of the main forging was a solid hammerhead of copper. The body of the tool, the four blades and the copper hammerhead had to be assembled. On the basis of peak production in Canada of Bren guns, this tool was estimated to require annually:

125,000 pounds of steel forgings.
24,600 pounds of spring steel.
7,700 pounds of copper.

The unit cost ran into several dollars.

But, last November, with machine tools scarce, A. H. Zimmerman, director of the Small Arms Division of the Gun Production Branch, Department of Munitions and Supply, started looking for ways and means of simplifying this "gadget." He called in the Army Ordnance Department and an attempt was made to see if the costly little tool (no more than six inches in length) could not be simplified.

By the time Canadian engineers and army repair men had got through with it, the costly forging had disappeared entirely; so had the copper hammerhead and three of the four blades. In its place was a simple piece of black welded tubing about the same length and with one blade inserted at one end.

Instead of several dollars each, the cost had been reduced to about 20 cents.

In place of 160,000 pounds of forgings, spring steel and copper, the amount of metal needed annually to produce the new gadget was reduced to 29,500 pounds of welded steel tubing and 3,075 pounds of spring steel.

Estimated annual savings in labor alone, at peak production, is placed at 331,485 man hours.

Number of machine tools eliminated entirely—nine.

Estimated annual savings on the basis of labor and material is placed at $184,150.

The new gadget is said to do everything necessary to keep the Bren in repair that was accomplished by the old, expensive forged precision instrument.

This story is significant, prophetic.

Out of this eye-opening experience came hundreds of other developments, many of them equally spectacular—all of them important in saving vital materials, labor and machine tools. Out of this also came the conference which will lead off the country-wide campaign to conserve, simplify and substitute along Canada's entire production front. It promises to be one of the most important meetings held since the outbreak of war.

Canadian Banks Study Curtailment Plans

Further Closing of Branches Indicated With Returns and Clerical Operations Cut to a Minimum

When general managers of the banks were called to Ottawa last week to discuss curtailment plans in accord with the desire of the Wartime Prices and Trade Board they found the subject one to which they had already given considerable thought.

Possibly some services to the public may be reduced, though it is not clear just what these may be.

For months past, the banks, at the request of government officials, have been closing branches and practising various economies in operations and materials. Now, under official pressure, the trend will become accelerated. It is understood a committee has been appointed to make definite findings as to what can be done.

Up to date, while possibilities have been considered, it is understood no definite figures have been reached as to the number of additional branches that can be closed or the staff that can be released. It is assumed that staffs of the banks at present number between 25,000 and 30,000, of which probably more than 40% are women.

Increased Draft Age

With the increase of the age for the draft to 40, many men in senior positions in the banks have been affected.

At the beginning of the year according to the Bank Directory of Canada there were 3,299 branch banks in Canada. The Directory for September, the latest available, shows 3,222 branches on Aug. 31, a decline of 77 in eight months. There have been a number of branches closed since the list was compiled. Many of the branches closed have been important city branches. Examples of this are the Bank of Montreal at Amherst, N.S., the Place Viger branch of the Royal in Montreal, the Bay St.-Temple Bldg. branch of the Canadian Bank of Commerce, Toronto.

In addition, the banks have been endeavoring to save the time of their employees by reducing the number of returns required. In some cases returns previously required weekly from the branches now have to be made only monthly, while some former monthly returns are now required only quarterly. In other cases lists of securities which branches held against loans are not required to be sent in as frequently as formerly. Instead a letter from the manager certifying that certain requirements have been fulfilled is considered sufficient.

One banker said that at present much of the work of the banks was caused by returns and services required by the government. If these could be curtailed without affecting the national welfare it would help a great deal in the curtailment programme, it was stated.

The Bondholder

Machinery for handling large orders where bonds are being sold and proceeds invested in the Third Victory Loan has been set up. While official sentiment is against this type of buying, it being felt that generally a switch of this kind means a sale that won't stick, nevertheless it is felt that there should be some centralized control for the duration of the loan. When a holder of a large block of corporation or government bonds wants to sell during the loan campaign his dealer must refer him to the special pool committee set up under the National War Finance Committee. That sale will then go into the general pool. No question of marketability is involved. This procedure is for large amounts only, those that would interest the special names committee.

• • •

Victory Loan details were announced during the week. With a $750 millions minimum objective the Third Victory Loan, Canada's fifth loan of the war, will be offered in two maturities. The scheduled loan period will be Oct. 19 to Nov. 7. Of most general public interest will be the 14-year issue maturing Nov. 1, 1956, carrying a 3% coupon and payable at maturity at 101. This issue will be callable at 101 on or after 1953, and if held to maturity offers a yield of 3.06%. The other issue will be for 3½ years maturing May 1, 1946, carrying a 1¾% coupon and payable at par.

The bonds may be paid for in full or in installments as follows: 10% on application and 18% on the first day of each of the five months starting Dec. 1, 1942. The final payment, Apr. 1, 1943, will be 18.67 on the long-terms and 18.39 on the shorts, this payment including accrued interest.

The Second Victory Loan was issued in three maturities: 12-year 3's, 6-year 2½'s and 2½-year 1½'s.

• • •

Mining municipalities are worrying about the projected shift of men from gold to base metal operations. At the moment this would strike particularly hard at such gold mining centres as Kirkland Lake and Timmins. The Teck Township Council recently urged that immediate steps be taken by the government to aid the municipalities affected by a decrease in mine production. Said Reeve Carter:

"It is apparent that we will need some very definite aid if this municipality, and others in the north, are to be able to carry on. Something must be done to bring the matter forcibly to the attention of the government. We cannot get a war industry but if a moratorium on mortgages could be declared many citizens would be able to save properties that, otherwise, will be lost through foreclosure and tax sales."

• • •

King Edward Hotel distribution on its 7% bonds has now reached the stage where only formalities are left to be cleared. Government clearance for the step has to be obtained and then a court order formalizing the step is to be secured. It is now hoped that distribution of better than 25 points a bond will take place sometime next month.

• • •

Albert Bay Co. meeting on Oct. 13 approved changes in bond set-up, the coupon rate being dropped to 5% from 6½% and the maturity extended to 1950. Discussion occurred over the part of the proposal which provides for the company paying the trustee $10,000 annually, $5,000 for sinking fund and $5,000 to be invested annually for five years toward purchase of the land on which the building is situated. However, a total of $179,100 of bonds voted in favor of the plan, $1,000 against, and another $10,500, present at the meeting, refrained from voting.

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City of Toronto will save $19,767 a quarter in power costs, due to reduced lighting through power conservation, according to Mayor Fred Conboy. In keeping with the conservation programme Toronto has already taken 6,620 lamps out of service or had their wattage reduced. The estimated saving is for a three-month period ending Dec. 31. For a full year the saving is estimated at $79,075.

Company Reports

Federal Grain

Federal Grain, Ltd., reports net profits for the year ended July 31, 1942, equivalent to $8.90 a share on its preferred against $7.69 a share for the preceding period. Three dividends of $2 a share were paid and another $2 a share is to be paid Nov. 2, 1942.

Volume of grain handled at country elevators was substantially reduced and amounted to little more than half the handling of the previous year. Reduced yields per acre and government policy in encouraging acreage reduction were responsible. Amount of grain held in storage was greater and terminal elevators had a good year.

Balance sheet shows bank loans of $5.9 millions compared with $7.7 millions a year ago. This is offset by wheat purchased on account of the Canadian Wheat Board at $3.2 millions and grain held, less stored grain, at $5 millions. Balance of expenditures on temporary storage bins has been written off as well as half the cost of temporary terminal storage space at Fort William. First mortgage bonds outstanding were reduced by $170,000 to $1.6 million.

Income and Surplus Account
Years ended July 31

	1942 $	1941 $
Operating profit	1,465.478	1,234,643
Add: Other income	23,044	46,077
Total earnings	1,488,522	1,280,720
Less: Exec. & legal	56,692	52,093
Directors' fees	2,400	2,400
Depreciation	455,656	453,241
Interest & premiums ..	170,811	181,686
Income & E. P. taxes	150,000	155,000
Temp. storage w/o ..	208,507	208,917
Ft. Wm. dist. stor. w/o	177,297	......
Add: Fire loss adjust. .	2,567	3,205
Net profit	267,158	230,588
Less: Pref. dividends .	180,000	......
Surplus for year	87,158	230,588
Add: Previous surplus .	324,729	94,141
Earned surplus forward	411,887	324,729
Earned per share:		
Preferred	$8.90	$7.69
Paid	6.00	nil
Working capital	1,643,778	1,040,444

Humberstone Shoe

Humberstone Shoe Co., Humberstone, Ont., improved net profit to 99 cents a share in the year ended July 31, 1942, from 28 cents in the previous year. To maintain the retail price ceiling and because of increased costs, the Dominion Government paid certain subsidies to the company during the year, these being included in the net profit showing.

Reduction in inventories and other current assets in the year was reflected in lower bank advances. Working capital is equivalent to $21.25 a share.

Income and Surplus Account
Years ended July 31

	1942 $	1941 $
Operating profit	51,323	24,277
Less:		
Depreciation	5,444	5,009
Interest	14,481	5,734
Income and E. P. taxes	11,000	6,900
Insurance prem.	562	1,100
Net profit	19,836	5,534
Less:		
Common dividends	15,000	20,000
Surplus for year	4,836	*14,466
Add: Previous surplus ...	190,488	204,954
Tax adjust.	483	
Earned surplus forward ..	195,807	190,488

*deficit.

Earned per share:		
Common	$0.99	$0.28
Paid	0.75	1.00
Working capital	425,195	424,154
Balance Sheet Changes	$	$
Accounts receivable	153,022	184,429
Inventories	512,687	622,774
Bank loans	156,299	326,651

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Municipal—							
Verdun R. C. Schools	Oct.	Paul Gonthier & Co.	4%	1943-57	$250,000	.....	.....
Hamilton Treasury Notes	Oct.	Royal Securities Corp.	....	Oct. 31, '43	400,000	.....	.....
Cap de la Madeleine	Oct.	Lagueux & Des Rochers	....	....	53,000	98.42	.....
Dominion—							
Canada Deposit Certificates	Oct.	Chartered Banks	¾%	Apr. 13, '43	90,000,000	100	.....

The Minister of Finance of the Dominion of Canada
offers for public subscription

$750,000,000

THIRD

VICTORY LOAN

Dated and bearing interest from 1st November 1942, and offered in two maturities, the choice of which is optional with the subscriber, as follows:

Fourteen-year	Three and one-half year
3% Bonds	**1¾% Bonds**
Due 1st November 1956	**Due 1st May 1946**
PAYABLE AT MATURITY AT 101%	PAYABLE AT MATURITY AT 100%
Callable at 101% in or after 1953	Non-callable to maturity
Interest payable 1st May and November	Interest payable 1st May and November
Bearer denominations, $50, $100, $500, $1,000, $5,000, $25,000	Bearer denominations, $1,000, $5,000, $25,000, $100,000
Issue Price: 100%, yielding 3.06% to maturity	**Issue Price: 100%,** yielding 1.75% to maturity

Principal and interest payable in lawful money of Canada; the principal at any agency of the Bank of Canada and the interest semi-annually, without charge, at any branch in Canada of any Chartered Bank.

Bonds may be registered as to principal or as to principal and interest, as detailed in the Official Prospectus, through any agency of the Bank of Canada.

Subscriptions for either or both maturities of the loan may be paid in full at the time of application at the issue price in each case *without* accrued interest. Bearer bonds with coupons will be available for prompt delivery. Subscriptions may also be made payable by instalments, plus accrued interest, as follows—

10% on application; 18% on 1st December 1942; 18% on 2nd January 1943;
18% on 1st February 1943; 18% on 1st March 1943;
18.67% on the 3% bonds OR 18.39% on the 1¾% bonds, on 1st April 1943.

The last payment on 1st April 1943, covers the final payment of principal, plus .67 of 1% in the case of the 3% bonds and .39 of 1% in the case of the 1¾% bonds representing accrued interest from 1st November 1942, to the due dates of the respective instalments.

The Minister of Finance reserves the right to accept or to allot the whole or any part of the amount of this loan subscribed for either or both maturities if total subscriptions are in excess of $750,000,000.

The proceeds of this loan will be used by the Government to finance expenditures for war purposes.

Subscriptions may be made through any Victory Loan Salesman, the National War Finance Committee or any representative thereof, any branch in Canada of any Chartered Bank, or any authorized Savings Bank, Trust or Loan Company, from whom may be obtained application forms and copies of the Official Prospectus containing complete details of the loan.

The lists will open on 19th October 1942, and will close on or about 7th November 1942, with or without notice, at the discretion of the Minister of Finance.

Department of Finance,
Ottawa, 16th October 1942.

The Editorial Page . .

Help From the German People

We cannot afford to neglect any potential ally in this war. The more help we get, the sooner we can end this miserable nightmare and get on with the job of building a decent world. One very great source of assistance would be the mass of the German people. They could do much in hastening the final collapse of Naziism.

A potent step towards lining up this eventual co-operation was taken by President Roosevelt last week. In assessing and punishing the guilty of Germany, said the American president, the United Nations will distinguish between the Nazi leaders and the people they control. The former must pay for the bloodshed and misery they have caused; the latter are assured of generous treatment.

Probably some will argue that this would be repeating the mistake of 1919, that, in any case, the separation of the guilty and the innocent will not be so easy; that all Germans, because they allowed Hitler to gain control, must be held responsible for the suffering he and his aides have caused.

Such an attitude, however, is neither practicable nor Christian. The world would be moving away from peace rather than toward it by a postwar massacre of hundreds of thousands of Germans either by firing squads or starvation. Moreover, by threatening such revenge, we are playing directly into the hands of Hitler, who for months now, has been warning the German people that they must stick behind him and win or they will all be sunk together.

Mr. Roosevelt is driving a wedge between Hitler and the German people. He is showing the German people a way out. When the long retreat to Berlin really gets started, there will be certain and quick help for us within the Reich itself. Instead of a slow and bloody advance, with a tragic price paid for each hedge and ditch, we may well see that final military manoeuvre turned into a swift triumphal ride.

Let us get at least a little smart in using the weapons of psychological warfare. Our enemies have used them against us with masterly skill for years. We have used them hardly at all. We talk much about all-out war, but until we use the many and varied weapons of the psychological front we will not be achieving it.

Our Navy Wins Approval

Canada's aggressive young Navy is doing an excellent job in protecting our vital sea lanes. Of almost equal importance it has reversed its earlier policy and is now telling the Canadian public promptly of its activities. Within a few hours of the sinking of an enemy submarine the other day, full details with names, human interest stories, and even pictures were made available to newspapers all over the country.

This splendid service did not give the Germans any information that could be of value to them but it was of very great value in boosting Canadian morale and in building up good will and incidentally a pool of reserves for the naval branch of the services.

Even when the news was of another category there has been equally prompt publicity. Here again nothing was being divulged that the enemy did not already know, quick and complete publication of losses probably preventing him from greatly exaggerating his victory and thereby threatening our all-important morale.

This example of the Canadian Navy in keeping the public fully informed, except of certain activities that any reasonable citizen realizes must be kept secret, is a good example of sound public relations. This is not a private or an official war. Every citizen has a stake in it and all are vitally concerned with final victory. Good news will cheer them; the other kind will steel them; the only real danger comes from no news at all.

Don't Miss This Opportunity

It is increasingly evident that business appreciates the opportunity which the publication of annual reports gives to convey a vital message to shareholders, employees and the public which, of course, includes their customers. Use of pictures, charts and special messages is becoming more common and, in the opinion of those who use these devices, returns splendid dividends.

Wartime restrictions may limit the information that may be given, but it adds to the importance of telling an interesting and informative story. Every company has information which will be interesting to shareholders and the public, and which can be told without in any way endangering its own position or the national safety.

The day for annual reports which convey the impression that the company is giving the minimum of information the law will permit is far past. Business must take every opportunity of telling its story; how it has fulfilled its job; what contribution it has made to the Canadian way of life. Its enemies are constantly busy, constantly advertising their point of view. Business has too long been silent. It has been on the defensive. Imaginative use of the annual report is one way business goes on the offensive.

Elsewhere in this issue of The Financial Post is a review of some ideas which companies in Canada and the United States have developed for making their annual reports more interesting and informative. A few Canadian companies are leaders in this move.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme for postwar Canada, providing for fullest possible employment and improving social standards, through free competitive enterprise.*

Behind the Loan Drive

When Canada's third Victory Loan campaign starts this month, it will have the advantage of an organization which has been tested and which only a few months ago was able to raise almost a billion dollars. This organization did not "just happen." It has developed from the small start made at the beginning of the war; it has made its mistakes and profited from them.

This time it faces what may prove to be the hardest task it has yet attempted. But there is no reason to fear that this organization, headed by George Spinney and his National War Finance Committee, cannot achieve the $750 millions objective to which it is committed.

Canada makes use of a judicious mixture of professional and amateur bond salesmen. Key men in most cases are the men who have made their living in the security business. But their numbers are entirely inadequate for the complete canvass of all possible prospects which has to be made.

Thus we have the professionals aided by bankers, businessmen, salesmen, tradesmen, mechanics, carpenters, farmers, school teachers and representatives of all classes in the community. Their united efforts will be required.

But no matter how hard this group works, the final result must be determined by the action of individual Canadians. For Canada to borrow more than $750 millions in one year means all have to contribute to the limit of their ability. The organization is experienced, willing and able. So long as individual Canadians do their share, it will succeed.

Editorials in Brief

In reply to a recent Financial Post question to representative Canadians on how to achieve greater unity between French and English-speaking Canada, there was a noteworthy agreement on the desirability of a more intimate contact between the two races.

Against this breadth of viewpoint is cast the narrow provincialism of Hon. P. J. A. Cardin, former federal minister of public works, who told a Montreal audience recently to "develop a truly French-Canadian sentiment which will assure the survival of your race in Canada and especially in Quebec."

By such isolationist statements Mr. Cardin shows a continued disregard for the basic elements of Canadian unity.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Getting Out of Uniform

Excerpts from an article by Brigadier-General H. F. McDonald in the Journal of the Royal Architectural Institute of Canada. General McDonald, a veteran general and staff officer of the first Great War, is chairman of the General Advisory Committee on Demobilization and Rehabilitation, a member of the General Committee on Reconstruction and a number of other organizations concerned with Canadian war and postwar problems.

The doctrine of total employment has been widely accepted as the keynote of all postwar social and economical reconstruction and it applies most directly to the re-establishment in civil life of the ex-service man and woman generally. Emphatically the ex-service problem is but a part, albeit an important part, of the general industrial and social transformation of the national economy from conditions of war to those of peace, but by its very nature it is capable of more direct and immediate attack than the wider phase.

Postdischarge difficulties arise almost as soon as general mobilization is initiated. Already the number of men discharged from the Canadian active service forces have reached substantial size. Even though a man may have had a brief and uneventful service in uniform, nevertheless he has suffered, in most cases, a comparatively drastic dislocation in his way of life. The first essential is that he should be brought back to the civilian attitude of mind and the definite sense of individual social and economic responsibility. With increasing length of service and movements and operations in foreign lands this psychological readjustment becomes in many cases more difficult.

At all costs there must be avoided the creation of what might be described as a class of "professional veteran" such as is exemplified by the formation of the Grand Army of the Republic after the war between the States and other similar agitations, some of them even in our own country since the last war. I do not for one moment wish to give the impression that we may expect anything like these sentiments of the great mass of ex-service people after this war, but nevertheless failure in arrangements for early and rapid civil re-establishment must inevitably produce desperate conditions with their accompanying political and social results.

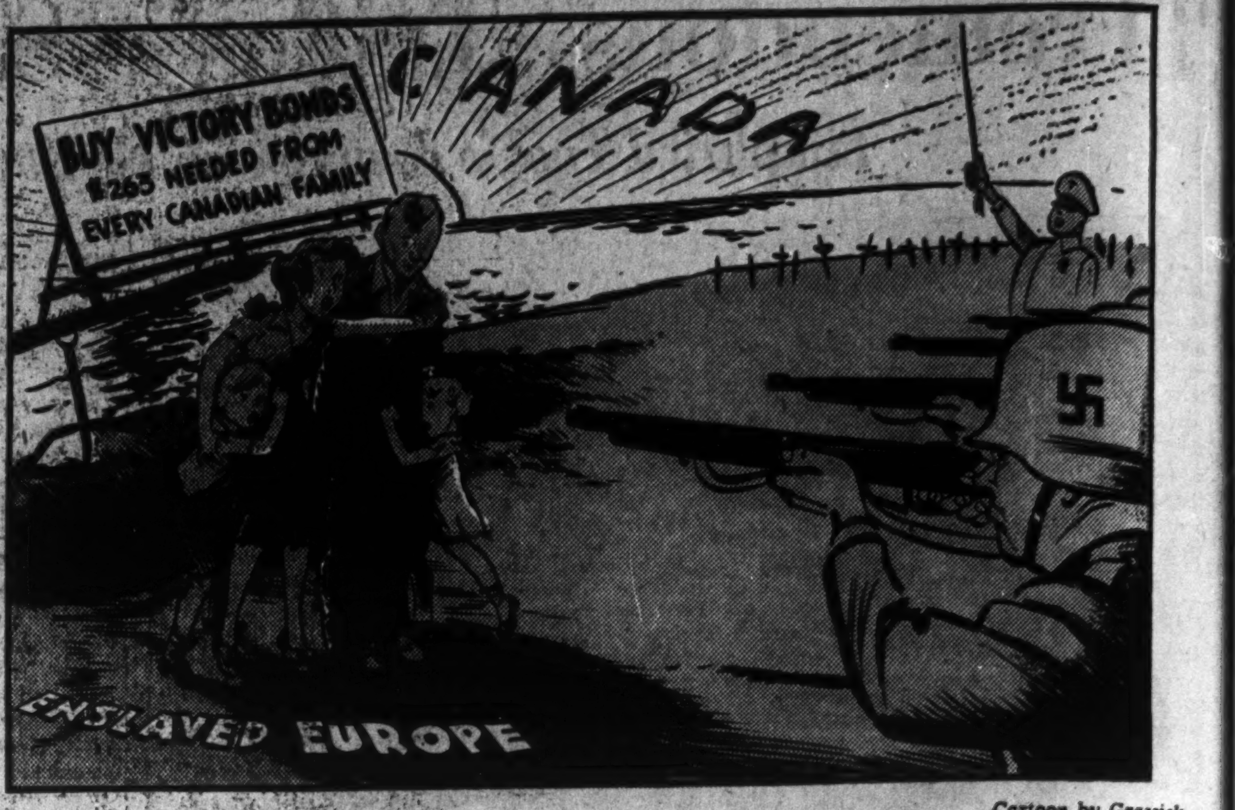
Demobilization and re-establishment are two distinct steps. Demobilization is the mechanical military operation of releasing a man from the armed forces. He is divested of his uniform and equipment, he is relieved of his responsibilities under military law, his financial accounts are settled, he is medically examined, he is given civilian clothing, a ticket to his home and all the formalities necessary for the termination of his active service are completed. He is a civilian with all the problems of maintenance, employment, family cares and social responsibilities ahead of him. The problem which the authorities face is—how best to assist him to solve his own individual problems—not to attempt to solve them for him.

First of all there must be a period when direct assistance is necessary to bridge the gap between actual discharge and, under normal circumstances, the time when civil employment should be resumed. Following this comes the question of suitable and congenial employment—the core of the whole structure. Jobs must be available; men must be physically fit to undertake work; they must be adequately trained vocationally to carry on satisfactorily and they must be willing to work.

In so far as contingencies can be reasonably foreseen, the federal government has already gone much farther than previously in opening the door and providing the facilities whereby willing and conscientious men and women discharged from the forces can face their problems of self re-establishment. Perhaps they have not been so lavish in the indiscriminate distribution of money in the immediate post-discharge period, but that type of palliative is more of a detriment than a help to permanent solution.

The unemployable, either deliberate or otherwise, we will always have with us. Unfortunately our civilization has not yet succeeded in eliminating either the bum or the moron. The general reconstruction policy must find means to take care of these and not the service rehabilitation plans.

What the federal government can do and has done so far as present conditions call for, is to provide a means whereby the normal ex-service man of goodwill and responsibility can take advantage of every opportunity offering in his community or the country that he is capable of, or can be made capable of grasping. Beyond that the responsibility rests upon local communities, public and semi-public organizations, employers and with the individual himself. Governments cannot make re-established ex-service men any more than they can make architects. They can only present the opportunity and facilitate the process.



Cartoon by Grassick.

A SMALL PRICE FOR FREEDOM

Post-Scripts . . . .

Triple Call to the Bar

Among Ottawa's supply old-timers Henry Borden is known as one of the Three Musketeers. He's the only one of the three left, as a matter of fact. The other two were R. A. C. Henry and Gordon Scott. Gordon Scott was drowned at sea by enemy action when he was on his way to England with Hon. C. D. Howe. Mr. Henry was forced by ill-health to return to Montreal. Mr. Borden has found three years of war supply has been no Sunday School picnic, but after a few months respite he has answered the call of his chief to take on a new and important job as Co-ordinator of Controls and the chairmanship of the Wartime Industries Control Board.

MR. BORDEN

It was on the evening of Sept. 22, 1939, that Henry Borden received a call from Col. Ralston, then Minister of Finance. Borden had already offered his services in any capacity to the government. Col. Ralston was just setting up the new War Supply Board. He wanted help—quickly. He asked Mr. Borden if he would come down to Ottawa for six weeks. "How soon?" That night, was the reply. Borden caught the train an hour or so later. He has been there ever since.

Gordon Scott was already at Ottawa and Mr. Henry came a few weeks later. On their shoulders—the Three Musketeers—is said to have rested the lion's share of responsibility for creating the organization now known as Department of Munitions and Supply, and which now employs some 5,000 persons. Henry Borden became general counsel to the Department—a job he has held ever since until he took over his new duties on Oct. 1.

Henry Borden is 41. His father was a younger brother of Sir Robert Borden. He was born in Halifax and graduated from McGill in Arts in 1921. Three years earlier he had had a memorable experience, having been taken to England by his uncle as a 17-year-old junior clerk at the time of the Imperial War Conference.

His first job, after graduating from McGill, was to relieve the messenger on the staff of the Royal Bank in Halifax. On the suggestion of his mentor, Stephen Leacock, Borden and two chums had decided to enter the employ of the bank and train for the foreign service. (Graham Towers had done likewise a year or two previous.)

But Borden shortly forsook a banking career for Dalhousie Law School at Halifax. He entered in Sept., 1922, and two years later was awarded a Rhodes Scholarship. He took his B. A. in jurisprudence at Oxford and, in 1927, three important events occurred. In May he was called to the bar in famous Lincoln's Inn. In July he was called to the bar in Nova Scotia. In December he was called to the bar in Ontario. His original law association in Toronto (where he decided to practice) was with the firm of Fraser & Beatty. He now heads his own firm (Borden, Elliot, Sankey & Kelley) having specialized meanwhile in corporation and taxation law. He is also chairman of the financial committee of the Norwich Union Life Insurance Society and a director of Barclays Bank (Canada); Real Estate Loan Co. of Canada and Traders Finance Corp.

Henry Borden grew up in close and intimate association with his uncle, Sir Robert, Prime Minister of Canada from 1911-1920. It was he who edited the two volumes of Sir Robert Borden's memoirs which have been published. In a few more years he may have some very interesting memoirs of his own to publish on Canada's war production story. He is one of those who scout the idea that there are any "politics" in the munitions side of the second World War.

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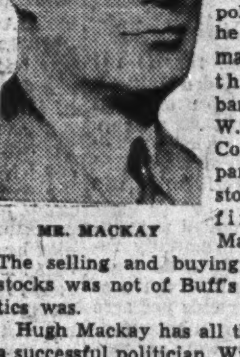
Politics and Business

No surprise was occasioned when Hugh Mackay, of Rothesay, N.B., and Montreal, P.Q., was elected leader of the Conservative party in New Brunswick. However, there may be some who fail to understand why "Buff," as he is known to his friends across Canada, was elected to a high political post when he is known primarily as head of the investment banking firm of W. C. Pitfield & Co., and principal partner in the stock brokerage firm of Hugh Mackay & Co.



MR. MACKAY

The selling and buying of bonds and stocks was not of Buff's choosing; politics was.

Hugh Mackay has all the attributes of a successful politician. Wise in the way of business and finance; politically astute; big of stature and infinite patience to get the things he wants, are only a few of his characteristics. Then, too, he was born in Saint John, the Loyalist City of the Maritimes, where politics are taken seriously. His father was a prominent man in the New Brunswick lumber business. He made what is regarded as a comfortable fortune, even judged by central Canada standards. After graduation from McGill University, Hugh entered his father's business. He became a successful lumberman and in 1915 was appointed president of W. Malcolm Mackay Lumber Co. In due course of time his ability was further recognized by his election as president of the Canadian Lumbermen's Association.

Had it not been for the depression Hugh Mackay might have gone along being one of the king-pins in the Maritime lumber industry. He took an interest in various community activities and, like many Maritimers of voting age, a more than ordinary interest in the fortunes of the Conservative party. This interest was stimulated when in 1913 he married the daughter of Sir Douglas Hazen, a powerful figure in New Brunswick politics for many years. The daughter acquired much of the political acumen of the father and today holds the position of president of the Women's Conservative Association of N.B. She has been a mighty force in furthering the family's political interests

To return to the depression. At that time Hugh Mackay's close friend and school-boy chum, Ward Pitfield, like every other investment dealer was finding it difficult to make both ends meet. Mackay came to the rescue and put much needed capital into the business of W. C. Pitfield & Co., which in those days ran both a bond and stock brokerage business, with head office in Montreal and branches throughout the country. Buff was more or less the silent partner until Ward Pitfield met his untimely death. From then on he took an active interest in the stock brokerage firm, which to conform with exchange bylaws, changed its name to Hugh Mackay & Co.

This new venture proved to be a natural outlet for Buff Mackay's many-sided talents. He has a distinct flair for business and finance. In the past few years he has gathered unto himself a number of directorships. His connection with the bond and stock firm also has given him an opportunity to visit various branch offices across the Dominion. It is perhaps only incidental that on these oft-repeated trips, Buff finds time to talk to the local Conservative leaders; to sound out public opinion on national issues; and to inject virility into this political party. Also he has found time to get himself elected to the New Brunswick provincial legislature, where he is official leader of the opposition.

During these perennial wanderings of his, Buff has come to be equally at home in Halifax or Vancouver. Nor is he a stranger to Parliament Hill, where he is often to be found during the session talking to his very good and close friends, Billy Hanson and King Hazen.

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B. C.'s Biggest

Physically, Hon. Herbert Anscomb, British Columbia's new minister of public works and railways, is the biggest man in provincial politics since the days of "Honest John" Oliver and Dr. S. F. Tolmie, both of whom were premiers. And in a political sense there are not a few British Columbians who believe that the broad-shouldered Victorian has premier-like stature himself.

But so long as popular John Hart's star remains in the ascendant and the west coast province continues under coalition administration it is probable that Mr. Anscomb will have to content himself with cabinet rank.

Mr. Anscomb is one of those rarities in British Columbia — a successful businessman who became a successful politician. He is an old hand at politics even though he was a brewing and wine company executive until government services claimed all his time. He served several years as reeve of Oak Bay and as mayor of Victoria. From the latter office it was an easy step to membership in the Legislature, to which he was elected in 1933.

Fifty years old, Mr. Anscomb is young enough to be aggressive and ruggedly optimistic and old enough to be a Tory of the old school. He is a strong believer in the prevailing economic system, a hard money man and a relentless foe of those who would tamper with the established rules of finance. Before becoming a cabinet minister he was the principal financial critic of the government and had the defeat of Pattullo been more complete and the Conservatives been called upon to form the new government Anscomb was slated to be finance minister. Obviously, in the present setup the only person available as finance minister is the premier himself, for no one in Canada is able to claim a record even approaching that of the shrewd Irishman, Jack Hart.

Only a few weeks ago Mr. Anscomb told a gathering of Vancouver manufacturers that they must prepare for the day when secondary industries must begin to share the load long carried on the broad back of lumbering, mining, fishing and farming. He doesn't want British Columbia to "continue as a dumping ground for the east's surplus exports."

A hard-headed administrator and a fluent speaker, Mr. Anscomb is lacking in the sentimental touch that a great popular leader must acquire, but he has gone a long way in the past ten years and is still climbing. He'll probably be a figure in western public life for a good many years.

Born in Kent, England, he came to Canada as a lad of nine and in the last war he was a sergeant with the Royal Flying Corps. Returning to British Columbia, he became a chartered accountant,

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"To be attacked by the Chicago Tribune and its satellite, the Washington Times-Herald is an honor." — *Freda Kirchwey.*

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"Too much salute, not enough shoot."—*Complaint of Okla Indian soldiers, stationed at Ft. Devens, Mass.*

Other People's Views . . . .

The Canadian Editorial of the Week

Loafers and the Universities

Ottawa Journal

The head of a Canadian university was reported the other day as saying, in effect, that male students who do not take their work seriously, or do not make substantial progress, will be dismissed so that in the armed services or war industry they can help pull the country through its perils.

Later Dr. Cody returned to his point in addressing the student body. The University of Toronto, he told them, would not be turned into "a haven of refuge for those who are neglecting their solemn obligation of duty," reminded them that they were attending the university that they might be fitted "for the better discharge of that duty," even to the extent of laying down their lives.

This is so wise a policy, and so greatly needed, that its application should not be limited to war years. It is time we realized that higher education, made available at great expense, should be reserved for those who will profit by it and through whom the benefit will be passed on to the general public.

Vast sums of money, it is perfectly well known by everyone, every year are wasted in sending to university young persons who have no inclination for study, perhaps not the natural ability to profit from the advantages put before them. They go to have a good time, to enjoy the social advantages of university life, because it is "the thing to do" in their social sphere—they have "been to college." They play through term after term, bother those who take college more seriously, and while last-minute plugging may see them through term examinations and even secure them a degree, they come out knowing little more than when they entered.

The pitiable thing is that while all this goes on there are young men and women born in humbler circumstances, keen and intelligent, eager for the opportunity the university could give them, who yet are unable to prepare themselves for lives of great potential usefulness because of lack of means. To a considerable extent, that is, the universities fail to reach the very people who would get the most good out of them—while they are abused by others who make of them little more than social clubs.

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The Mail-box

Treat All Alike

The Editor, The Financial Post:

Under new regulations of the Selective Service Board boys of 19 years are now liable to call for military duty. Was it Kipling who said that if you want a real soldier you must catch him young, before he knows enough to be scared, fill him on bully beef, and let him loose at the enemy? If he did, he knew what he was talking about.

As usual there is a catch in the Selective Service regulations. It is this. If pa and ma don't want their boy to go to war they can enroll him in a university and he will be exempt until his degree is won. Of course he will have to drill with the University O. T. C., poor chap, but for four or five years anyway he won't have to serve his country.

If you will get statistics on the number of 19-year-olds entering universities you will discover that the courses which take the greatest number of years are most popular at the present time.

This is Democracy exemplified. If pa and ma have the price you can stay home. If your dad is a poor working man you get called up. The rich go to college. The poor go to war.

Isn't it time that we got down to business in this war and realized that unless we win the war education will be of no value? Isn't it time we put first things first? Let all be treated the same and you will have a better Canada after the war.

R. Alexander.

Truro, N.S.

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English Language Vital

Editor, The Financial Post:

I was much interested in your question of the week under the caption, "How to Unite French and English Canada," particularly the views presented by Oswald Mayrand, Roger Ouimet, Col. L. D. M. Baxter and Adam L. Sellar. I am taking the liberty of quoting an extract from my farewell address as president of the Hamilton Board of Trade in 1917:

"We have one unfortunate condition of affairs in this country for which a solution should be found, and that is the strained relations between the people of the Province of Quebec and the rest of the Dominion. It is of such a trivial matter as compared to the winning of the war that no time should be lost in an endeavor to solve the difference.

"It seems to be one purely of language, and, I feel that our fellow citizens in Quebec have taken too serious a view of this problem. So far as the people of Ontario are concerned I do not think any of those who can afford to do so are adverse to having their children study the French language.

As for my own family, I am endeavoring to give them this opportunity, but the people of Quebec should recognize that this is only as an accomplishment; the English language being the only language necessary for commercial and social use in North America, and it appears to me that the educated people and the authorities of Quebec are placing a very serious handicap on their sons by endeavoring to confine their education to the French language; it will prevent their people from branching out and reaping the advantages enjoyed by the other peoples of North America."

There is no prospect of inducing the English-speaking people of Canada or the United States to take on the added burden of learning the French language for which there is no general use. The proper and sensible thing for the French Canadian people to do is just what Prime Minister Godbout is trying to do—endeavor to give their children a reasonable chance to take their proper place in the commercial and social life of Canada and the United States. But if their desire to study and retain the French language as a further attraction and accomplishment, I'm sure no English-speaking citizen will object and there need be no more strife.

G. C. MARTIN.

Hamilton, Ont.

• • •

As Others See Us . . .

Why This Expenditure?

Chesley Enterprise

It may be all right, but it will strike the average Canadian as being most inexplicable that Canada should spend $81,495 this year for immigration medical inspection. As The Financial Post points out, we spent a similar amount last year for the same purpose, though immigration is only a trickle.

• • •

Stop Me If . . .

"Have you any alarm clocks?" enquired the customer. "What I want is one that will rouse father without waking the whole family."

"I don't know of any such alarm clock as that, madam," said the storekeeper. "We keep just the ordinary kind that will wake the whole family without disturbing father."

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Time and Motion Studies Cut Production Costs

Important Factor in Plan to Save $100 Millions in Coming Year

By **ARTHUR D. ELLWOOD**

Already credited with saving around $10 millions, cost-cutting by Canada's war industry is estimated to be headed for annual savings in production costs of some $100 millions in the coming year. Simplified techniques, thrifty substitutions, skilful use of facilities will bring a saving roughly equivalent to what an area as big and as wealthy as Montreal will contribute through Victory Loan purchases. To make sure of these savings, a nationwide economy drive is to start Oct. 17.

That does not mean that we could cut our Victory Loan goal $100 millions. What it does mean is that in comparison with previous years, we will be getting $100 millions better value for our money.

The savings will be achieved in a thousand ways, some big and dramatic like that of the fuse maker who substituted die-cast zinc for brass, saved 43 million pounds of brass, 828,000 hours of labor, 25 machine tools and $2.6 millions.

Others will appear smaller, individually will save a few hundred dollars and a few hundred man hours in a year, but lumped together will make totals of surprising magnitude.

In the impressive total that small individual savings will build up, few elements will play a more important part than the time and motion study—the science of making the most of human effort, machines and materials.

Two Tools in Combination

While time and motion study are really two separate tools of the industrial engineer, they regularly go together.

Time study is the analysis of jobs with the objective of establishing standards of work. It regularly involves use of the stop watch and breaking down each job into its smallest identifiable components. In this way it is possible to determine where any "bottlenecks" in a particular job may be found. The efficient method is devised and the working speed of a "normal" worker determined and taken as the standard. A logical corollary of time studies is the establishing of wage rates and the use of incentive systems of pay where workers are given a bonus for achieving an output above the "normal."

This "normal," by the way, is deliberately set at a level which is not too hard to achieve. A successful time study and related wage payment system regularly shows perhaps 80% of the workers getting a bonus.

The Easy, Fast Way

Motion study is intended to devise ways of doing things in the most efficient way. It should not require that the worker has to speed up; on the contrary, it should result in increased output with less fatigue—result in a happier worker who produces more goods and makes more money with a proportionate increase in the return to the plant owners.

Six Ton Lift Ends

In a Canadian factory a girl was polishing and packing flat irons. Each iron weighed about six pounds and she complained of fatigue at her job, arising out of the necessity of lifting these irons after polishing them and before the packing. A simple rearrangement of the work bench was made which meant that the girl did not have to lift an estimated six tons of flat irons each day. Her fatigue disappeared and her output went up.

One widely accepted list of the principles most often followed in motion study is summarized in the table that accompanies this story.

Carrying out the changes that time and motion study make possible requires a trained specialist. It is vital to use the proper approach as failure to do this results in antagonism which defeats the best efforts.

One man familiar with the problem suggests that a subtle approach is best. He would make available literature explaining what could be accomplished by properly organized programmes of time study and motion study well in advance of the date when it was planned to make a start. He would make liberal use of motion pictures to get the ideas across to the workers and foremen. By using motion pictures it is possible to make dramatic before and after shots and drive home how the simple things count.

Canada's war directors are alive to what can be accomplished but they have been handicapped by a shortage of trained personnel and the necessity of getting immediate production at maximum volume. There are signs now, however, that it is becoming increasingly important to make our materials, machines and labor go farther and realizing that here is one good means of doing it.

In Toronto, a school has been established under the auspices of the Ontario division of the Dominion-Provincial War Emergency Training Programme to train time and motion study workers. This school has graduated its first class after a course which lasted for 40 weeks and required attendance four nights a week for three hours a night. Each week's programme calls for devotion of one night to time and motion study, one night to industrial psychology and two nights to practical work on the machines and equipment made available by one of Toronto's largest technical schools.

From the time and motion study classes the students learn the tools of the job they will undertake in industry; industrial psychology teaches them how to win the support of the workers and is characterized as study of "the relation of the worker to his job." Striving to get as practical an approach as possible, lectures are given by experienced men in industry who are doing every day the very things they are asked to explain. The practical work is added because it is realized that no person can accurately or effectively analyze any operation unless he knows something of how it is done.

Those in charge of this school at first thought that perhaps accountants, with their training in analysis, would make good time study men but have since found that practical knowledge is best. They now hold that the ideal way to get men for such training is to have companies select or urge promising men at work in their plants to take this course. Time or motion study is rarely a full time job in any one plant but it is a very valuable sideline for a bright worker.

Graduates of this class are already getting results. One went back to his work and decided the shop resembled Broadway more than it did an efficient manufacturing plant from the way in which the employees had to wander around from job to job. He took one man and made him the workhorse for the shop, requiring the girls at the machines to stay put. The result has been remarkable. Started before the labor shortage began to hit this plant and it had 28 workers in this department, it has enabled record production to be maintained although five out of the 28 girls have since left.

In a large Canadian shipbuilding plant it has been discovered that merely turning a large machine around 180 deg. was enough to boost its output by 25%. In the old position for this machine, the aisles and workers were crowded. The overhead crane that handled the heavy metal plates could not cope with its job. But behind this scene of confusion and activity was a comparatively quiet aisle with a crane that had plenty of spare capacity. Turning this key machine 180 deg. made it possible to use the other crane and the extra space.

Two Minutes Instead of Ten

Another Canadian factory had a production problem. It wanted to have a jig built for an assembly job and its engineers had estimated that the job was one that only a man could handle and that he would do well to complete each assembly in 10 minutes. But proper study of the job resulted in a jig with which a girl can do the job in two minutes.

Another war plant had a process in which a small rivet had to be pressed into a tapered wooden part. The way it was being done was resulting in a terrific wastage. When pressure was put on the rivet, the wooden part split. A trained man discovered that making the rivet only one-thousandth of an inch smaller in diameter eliminated loss from spoilage, with no loss of strength.

A system of maintenance control installed for a lumber plant by an industrial engineering firm resulted in a saving of approximately 23½% in total maintenance cost and approximately 10½% in total indirect labor cost.

Proper routing of work and planning can result in cutting the time elapsed from when the material enters the plant to the time it emerges as a finished piece of war equipment from three months to a week, an example paralleled by Henry Kaiser's achievements in building Liberty ships on the Pacific coast of the United States. But everywhere such cutting down of the time required to complete the transformation from raw material to finished product means lessened inventory all along the line, more efficient use of machine capacity and greatly cuts the quantities of materials tied up in manufacturing processes, something of prime importance when there are not enough materials, machines or workers to go around.

How to Save Time and Money

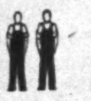
Herewith The Financial Post publishes a list of ten rules for maximizing the effectiveness of labor, as recommended by time and motion study experts.

1. **Eliminate unnecessary operations and combine wherever possible.**
2. **Reduce motions to the simplest and lowest class possible.**
3. **Make certain working hours are not interrupted by lack of materials.**
4. **Keep transport of parts and materials as short as possible and provide for rapid disposal of finished parts.**
5. **Make the operator comfortable and use mechanical rather than manual effort wherever possible.**
6. **Make sure simplest form of grasp is used; have parts and tools in definite, easily accessible positions.**
7. **Eliminate use of the hand as a vise to hold parts and balance hand motions.**
8. **Use feet to replace hands wherever possible.**
9. **Consider operators' feelings and desires in making improvements; encourage suggestions; develop workers' interest in the job.**
10. **Have operators specialize on one job instead of changing frequently.**

The Week in Business

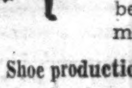
Following the lead given by other business statistics, employment figures show signs of levelling off, a condition inevitable as our available supply of workers grows smaller. There is still growth, as August figures prove, but the rate of growth is lessening. The August 1 index of employment shows a gain of 10.7% from a year earlier, still an important gain but less than any recently reported in a 12 months' comparison.

Payrolls keep moving up somewhat faster than does employment, figures for the former at August 1 being up 1.5% compared with a gain of 1.2% for the latter. Per capita earnings for industry were $28.58 weekly according to the latest figures, a rise since June 1, 1941, of $3.23 a week.



Wholesale sales in August pushed the index to 157.4, compared with 154.2 in July and 167.6 in June. The gain over a year ago is less than one point.

Employment in industries at Aug. 1 this year was at 177.8 against 160.6 a year ago. In manufacturing industries only the gain over the year is 25.6. Payrolls have risen 31.7% since June, 1941.



Cattle sales in September this year totalled 86,645 head compared with 149,742 in the same month of 1941. For the first nine months a decline of about 51,000 head, or 6%, is reported. Hog sales in September were also lower than a year ago but for the nine months a gain of 5.8% is shown.

Shoe production in August was about 200,000 pairs less than a year ago but for the year to date a gain of a little over a million pairs, or 5%, is shown.

	Sept.	Aug.	July	June	Year Ago
The Financial Post business index	....	*165.0	163.6	165.7	162.5
Dom. war expend. (million $)	....	173.4	190.4	138.3	98.9
Dom. total revenue (do.)	....	164.2	121.8	115.4	106.6
Dom. total expend. (do.)	....	301.3	350.8	423.6	124.1
Retail sales index no.	....	162.2	150.4	150.9	146.5
Dept. store sales index no.	....	151.6	145.4	134.0	146.1
*Wholesale sales index no.	....	157.4	154.2	167.6	156.6
Country store (% change pr. yr.)	....	+10.0	+10.6	+14.6	+11.3
Divd. payment index♦	123.5	123.5	122.6	121.8	118.7
Bank deposits (1926=100)	....	163.0	160.3	160.1	157.9
Cash and cheque pay. index	....	138.6	146.7	148.8	120.1
Bank debits (1935-39=100)	....	136.0	133.0	127.7	123.1
Money supply (c)	....	3,772	3,686	3,675	3,506
NEWSPRINT % OF CAPACITY—					
Production ratios	....	68.4	65.2	65.6	80.2
Shipment ratios	....	69.0	65.8	68.4	81.3
RAILWAY FREIGHT LOADINGS—					
Tons	....	163.0	176.5	188.1	161.5
Cars	....	129.6	148.1	141.4	128.0
COST OF LIVING—					
D.B.S. index	117.4	117.7	117.9	116.7	114.7
EMPLOYMENT INDEX Nos. D.B.S.—					
*All industries	....	177.8	175.7	171.7	160.6
*Manufacturing	....	212.4	209.5	205.9	176.8
*Payroll (June 1/41=100) (b)	....	131.7	129.7	125.5	106.9
Payroll index (a) (1937=100)	....	201	204	201	173

	1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—					
*Carloadings (week Oct. 3)	69,987	68,033	2,560,177	2,400,113	+6.6
*C.P.R. gross (week Oct. 7) $	4,927,000	4,149,000	192,053,000	162,606,000	+18.1
C.N.R. net revenue (Aug.) $	8,177,659	5,171,732	53,928,676	42,196,254	+27.8
C.P.R. net revenue (Aug.) $	3,220,030	3,146,005	28,436,564	26,261,119	+8.2
IRON AND STEEL—(August)—					
Pig iron production (tons)	162,578	118,490	1,308,731	862,793	+51.7
Steel production .. (tons)	248,868	227,075	2,064,666	1,734,216	+19.0
CONSTRUCTION—					
Contracts awarded (Sept.) $	29,675,100	39,363,800	228,486,900	322,909,100	—29.2
Building permits ... (Aug.) $	8,159,508	12,852,381	70,072,454	89,464,236	—21.6
Cement prod., bbls. (July)	1,247,933	943,898	4,717,109	4,295,019	+9.8
AGRICULTURE—					
Flour prod., bbls. .. (Aug.)	1,820,199	1,852,139	13,135,626	13,985,624	—6.0
*Cattle sales▲ .... (Sept.)	86,645	149,742	794,710	845,444	—6.0
*Hog sales▲ .... (Sept.)	460,407	504,493	4,400,396	4,157,080	+5.8
SEA FISHERIES—‡					
Catch, cwts. .... (Aug.)	1,378,400	1,794,800	6,953,000	7,157,700	—2.8
Landed value ...... (Aug.) $	5,097,200	4,991,500	19,276,200	17,606,500	+9.4
NEWSPRINT—					
Production, tons ... (Aug.)	253,239	293,054	2,152,591	2,207,671	—2.4
Exports, tons .... (Aug.) $	240,130	281,401*	1,987,388	2,078,084	—4.3
MINING AND OILS—					
Coal prod., tons ... (Aug.)	1,457,712	1,404,335	12,397,038	11,080,402	+11.8
Gold rec., fine oz. . (July)	431,435	453,184	2,801,623	2,993,063	—6.3
Petroleum prod., brl. (July)	869,034	876,9[illegible]	6,109,072	5,748,814	+6.2
ELECTRIC POWER OUTPUT—(August)—					
Total monthly, 1,000 kw.h.'s	2,989,675	2,640,084	24,567,714	21,033,614	+16.8
OTHER INDUSTRIAL FACTORS—					
*Shoes, prod., pr. ... (Aug.)	2,773,334	2,965,637	21,864,466	20,806,300	+5.0
Cotton consump., lb. (Aug.)	15,158,238	14,595,435	131,797,836	130,124,004	+1.2
Cigarette cons., No.† (Aug.)	852,493	816,691	6,331,719	5,397,536	+17.3
FINANCE—					
Bank debits† ...... (Aug.) $	3,479,745	3,149,791	28,775,585	25,201,597	+14.1
Bond sales† .... (Aug.) $	339,639	83,497	2,584,367	1,768,447	+46.1
Life insurance sales (Aug.) $	39,963,000	29,587,000	323,611,000	261,034,000	+23.9

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. †000 omitted.
♦Supplied by Nesbitt, Thomson & Co. *Final. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Urge Use of Wheat Surplus For Rubber, Aircraft Fuel

"Wheat can be used in large quantities for manufacture of higher forms of alcohol for conversion into synthetic rubber. Wheat also is particularly suited for conversion into explosives, chemicals and high test motor fuels required by fast-moving fighter planes and bombers."

So says a statement addressed to the Dominion Government by the North-West Line Elevator Association, which claims that the war has created opportunities for utilization of Canada's surplus wheat. This points out that the carry-over of old crop wheat at July 31 was 424 million bushels, while the new crop is estimated at 587 million bushels, of which Ottawa has indicated it will take delivery of 280 million bushels.

The association urges that the balance be put to industrial use, perhaps along the lines Australia is following. That country has an alcohol power project under way, involving construction of four grain distilleries, which will produce 12 million gallons of power alcohol annually.

The suggestion is made that Canada should embark on a similar programme, but on a far greater scale.

"To meet the situation adequately action should be taken to determine the advisability of erecting distillery plants at strategic points throughout the West for war purposes, in which wheat would be converted into alcohols required in the manufacture of synthetic rubber and into high test motor fuels for airplanes," says the statement.

"In addition, the large cane sugar refineries located on the east and west coasts might be converted for use in manufacturing wheat into alcohols . . . There is difficulty now in importing sugar cane and Canada is approaching the stage where she will be dependent for sugar on domestic sugar beets. This development will leave the cane refineries with no useful function."

The Elevator Association also proposes that beet sugar refineries, during the period of the year when they are not refining beet sugar, might be adapted to processing wheat.

On the Record

Leslie Clegg appointed assistant to the Steel Controller, in charge of cast iron and steel pipe.

Enough brass will be saved by the new order ending brass uniform buttons to make 26 million .303 rifle cartridge cases per month.

$312 millions is total value of 3,221 contracts awarded since the beginning of war up to Sept. 30, 1942, by the Dept. of M. & S., during the last quarter 445 contracts at a value of $62 millions were awarded, divide as follows: Naval services 72, $18.4 millions; army, 126, $18.6 millions; and air force, 247, $25 millions.

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IN THE MONEY!

Cash increases from the sale of farm products for the first six months of 1942 totalled nearly $400,000,000 — or $56,000,000 more than the same period last year. It is expected that Canadian farmers will report the highest cash income in the nation's history in 1942.

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WINNIPEG-RED LAKE-MADSEN
THE PAS-SHERRIDON-FLIN FLON
REGINA-SASKATOON-NORTH BATTLEFORD
EDMONTON-FORT NORMAN-AKLAVIK
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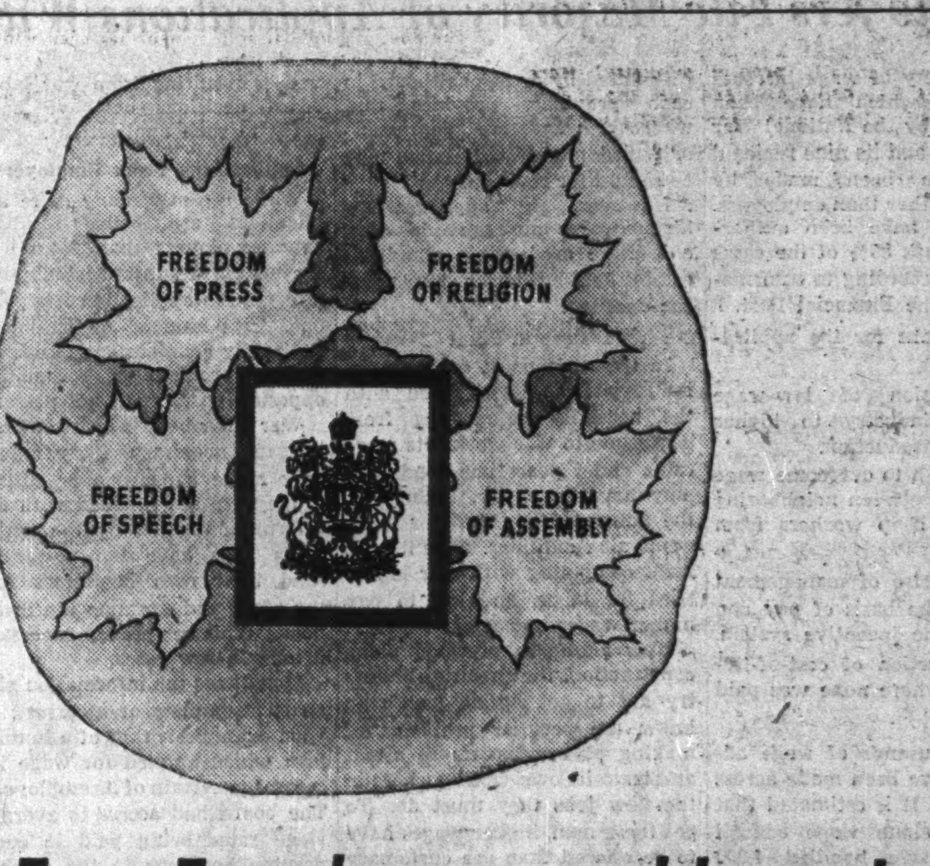

To these Four Freedoms . . . add another

RANKING in importance with these freedoms is another that we on this continent have added . . . Freedom to Plan One's Own Future.

Nowhere on earth is a man so free to plan his own future as he is in this country. Of all the world's life insurance, 70% is owned in Canada and the United States where men, women, and children enjoy to the fullest the right to pursue happiness and security in their own way.

This right is not something that just happens to be in the air we breathe. Men had to fight to wrest it from the forces of oppression.

Today, these forces are at work against us again. They have thrust upon us a fight that requires more on our part than the will to win. Victory requires tanks and planes and guns and battleships, huge armies, munition plants, and all other implements of total war.

To build enough of these things, fast enough, takes money—unheard-of sums of money. And Canada needs that money right now . . . today!

Your life insurance companies, through investment in Government Bonds, are helping to fill the war chest. You also can help by buying the New Victory Bonds. Every Bond you can buy is urgently needed to help defend you and your family!

Nothing Matters Now but Victory

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CANADIAN HEAD OFFICE—OTTAWA

State Credit Not the Answer

Bankers and Economists Discuss Archbishop's Views

The recent opinions of the Archbishop of Canterbury on monetary policy have attracted attention in Canada, partly because of the prominence of the speaker and partly because of the similarity between Canadian and British banking systems. The ideas of the Archbishop are not new in themsedves, and much of the basis of his argument has been removed in Canada.

In brief, the Archbishop indicated that:

Amalgamations among British banks had created a situation where money and credit had become a monopoly.

Monopolies should be taken over by the state.

Banks should be limited to lending the amount deposited by their clients, issue of new money being left to the government.

Sees Changes

As it is understood the Archbishop claimed he was misinterpreted in some of the press reports, we quote from the text of his address made public by the British Ministry of Information in London as follows:

"In the case of money, we are dealing with something which is handled in our generation by methods that are extremely different from those in vogue a century or half a century ago. When there was a multitude of private banks, the system by which credit was issued may perhaps have been appropriate, but with the amalgamation of the banks, we have now reached the stage where something universally needed—namely money, or credit which does duty for money—is become in effect a monopoly.

"It seems to me a primary political principle that wherever you have something which is universally needed, but which is governed as a monopoly, that monopoly should be taken over by the State. The private issue of new credit should be regarded in the modern world in just the same way in which the private minting of money was regarded in earlier times. The banks should be limited in their lending power to the amount deposited by their clients, while the issue of newer credit should be the function of public authority.

"This is not in any way to censure the banks or bankers. They have administered the system entrusted to them with singular uprightness and ability and public spirit. But the system has become anomalous, and, as so often happens when an anomaly has persisted through a long period of time, the result is to make into the master what ought to be the servant."

Aberhart Approves

His remarks met the approval of Premier Aberhart of Alberta, who sent the Archbishop this cable:

"On behalf of the people of Alberta, who re-elected this government in 1940 to continue our fight for the establishment of a social security economy, I desire to express to your Grace our deep gratitude for your courageous lead to Christendom in urging the national control of money as an essential step to the elimination of the evils inherent in the present private monopoly-controlled system. We trust that the nations will actively recognize the wisdom of your proposals."

See Political Influence

Bankers and economists interviewed by The Financial Post on the Archbishop's theories generally took the ground that to turn over the control of money and credit to the state would mean the introduction of political influence to a degree which might have disastrous results; that the banks were not now lending up to the amount of their deposits; that there was no more need of turning over the control of money and credit to the government than the control of various other things including bread itself.

Views of different men interviewed are summarized as follows:

Limit to Credit

1. The present banking system in Canada has grown up with the country and has been devised to meet the needs of business. The banks do not create credit. They may extend it, but the amount of credit they can issue is limited by the fact that it is based on their deposits. These are a liability the banks must be prepared to meet if called on. Much new credit in the war years has been created by government expenditures but that is the result of government action. In any case the central bank is supposed to be in control of the credit of a country causing it to expand or contract as the monetary authorities see fit. Wartime is not a proper time to begin urging cardinal changes in the economic system.

Political Influence

2. Once you put money and credit under government control you introduce political influence. The experience of some of the farm loans made in recent years through government agencies has not been happy, largely due to this cause and the extension of government into banking and finance might result in heavy losses which would have to be borne by the taxpayer. Apart from political influence, government control of business has tended to lessen initiative and individual effort.

3. The Archbishop starts from a wrong premise. He indicates that credit is in universal demand. This is not strictly true. If credit were in universal demand, the banks' loans would form a far larger percentage of their deposits than they do. As things are, the banks are forced to put a large part of their assets in government bonds which bring them in a lower rate of interest.

4. Whether the banking business is under government or private administration, loans which borrowers can't or won't repay, mean losses which must be covered by somebody else. Loans, which are a bank's assets, go hand in hand with deposits, which are its liabilities, and if at any time its liabilities exceed the realizable value of its assets the bank is no longer solvent. Frozen loans are useless as a means of meeting depositors' demands for cash. Assuming the banks were nationlized, unless the government followed sound banking practice, a time would come when the depositors could not get their money when they wanted it, and either they or the taxpayers would have to take a loss. There is no good reason why depositors or taxpayers should be asked to pay for a government's mistaken altruism in lending carelessly.

Different Viewpoint

In general bankers and economists consulted regard the control of banking as something that develops with the demand of business. On the one side are those who want to borrow, on the other side are the lenders which are the great majority of the people. These, while interested in making loans at good rates of interest, regard safety of principal as the important thing.

Whether government control would give borrowers the credit they want without causing losses to the public, any more efficiently than the present system is a point involving the whole question of private enterprise in business.

APPOINTED

H. Douglas Coo has been appointed assistant manager of the Hartford Fire group of insurance companies. Mr. Coo began his insurance career in 1919 with the Canadian Fire Underwriters Association in Montreal, becoming assistant chief rating officer. He was with Robert Hampson & Son Ltd., Montreal, for a time, and then joined the C. U. A. in 1936 in Toronto, where he has been till the present. The company group includes the Hartford Fire Insurance Co., the Hartford Accident & Indemnity Co., Hartford Live Stock Insurance Co., London-Canada Insurance Co. and Citizens Insurance Co. B. W. Ballard is manager of the group for Canada.

Bond Holdings Of Bank Rise

Short Term Investments of Bank of Canada Increase

An increase of about $7 millions in investments is shown in the statement of the Bank of Canada for the week ended Oct. 7. The rise was mainly in short term issues, although holdings of long term issues were also slightly higher. With miscellaneous assets, including cheques on other banks not yet cleared, down slightly, total assets showed an increase of only $3 millions.

On the liability side, note circulation rose $10 millions to a new high level at $635.7 millions. Chartered bank and miscellaneous deposits were lower.

	Oct. 7 1942	Sept. 30 1942
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	635,699,766	625,435,964
Rest fund	5,585,705	5,585,705
Deposits: Dom.	34,761,770	18,539,030
Banks	228,932,535	246,016,485
Other	18,467,781	24,741,690
Total deposits	282,162,086	289,297,205
All other	11,334,951	11,016,356
Total liabs.	939,782,508	936,335,230
Assets		
In Sterling & U. S.	822,503	822,503
Subsid. coin	127,869	156,309
Investments:		
Dom. gov. sh.	634,762,348	628,674,770
Other Dom. gov.	286,038,425	284,714,833
Total invests.	920,800,773	913,389,603
Premises	2,178,984	2,108,314
All other assets	15,852,379	19,858,501
Total assets	939,782,508	936,335,230

Washington Branch Planned By Wartime Prices Board

Special Correspondence

WASHINGTON.—A unit of Canada's Wartime Prices and Trade Board will shortly be established at the headquarters of the Office of Price Administration. The move foreshadows closer collaboration between economic high commands in the fight against inflation on both sides of the border.

The W.P.T.B. branch will be directed by A.F.W. Plumptre, former University of Toronto economist, who worked for Leon Henderson and later was drafted by Ottawa to be financial attache of the Canadian Legation. His first job will be to keep in touch with developments in the civilian supply section of the War Production Board and orders of the Office of Price Administration.

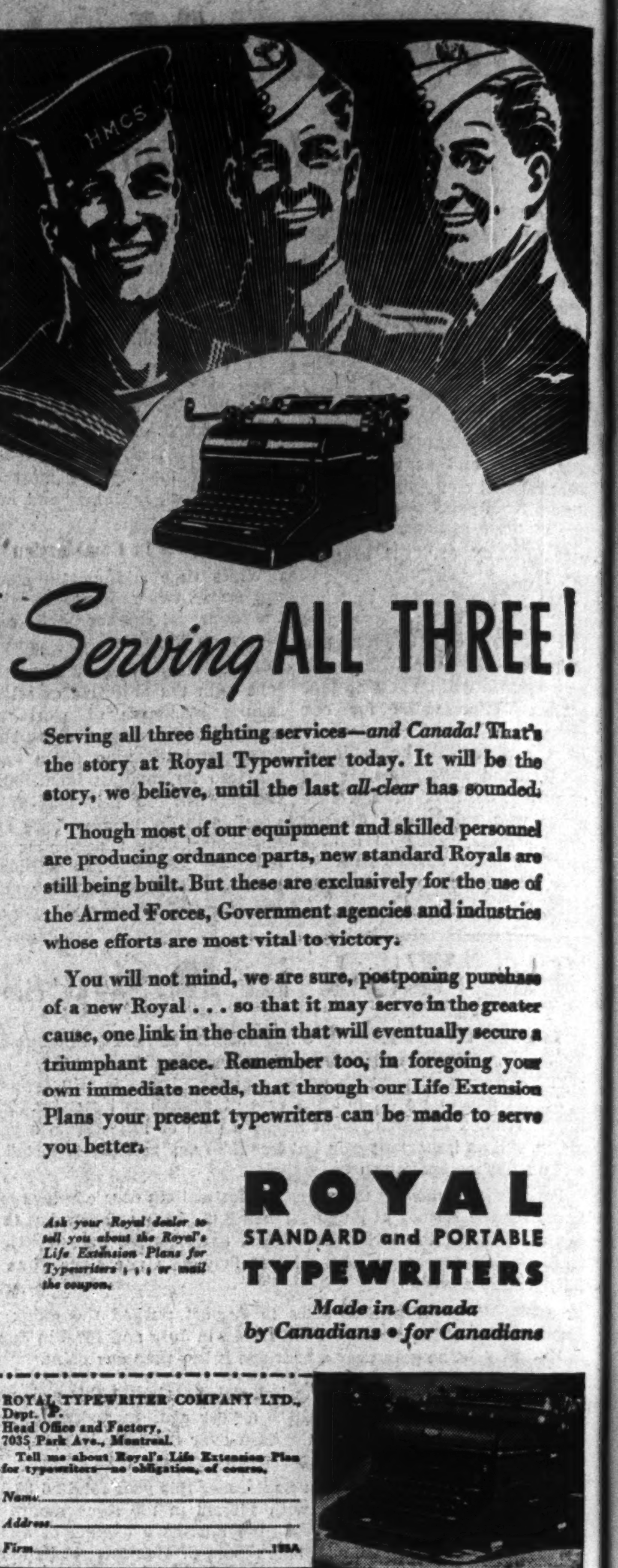
Integration of the two economies due to pressure of war has enlarged an informal arrangement for "equality of sacrifice" in matters of civilian supply into a practical alliance against rising prices.

The volume of orders, studies and regulations turned out daily by O.P.A. has become so great that the legation staff has been unable to give a comprehensive information service.

Only by closely following developments from within can W.P.T.B. keep abreast of official thought on items that directly affect Canada's economy. Few laymen, for instance, realize that most price control orders and civilian supply regulations require four to six months advance spadework before they are promulgated. The same thing applies to rationing.

Canadian Foreign Investment Corp., controlling Brazilian Portland Cement Co., has redeemed and cancelled 1,760 shares of preferred stock, leaving outstanding 4,157 shares.

Distillers Corp.-Seagrams has purchased and cancelled a further 2,387 shares of preferred stock, leaving outstanding 161,183 shares as at the end of last month.



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Many Wage Increases Approved

Employers File Majority of Applications With Labor Boards

The majority of wage increase applications which have been heard lately by the National War Labor Board and its nine regional boards have been made by employers rather than employees. Adjustments have been authorized in perhaps 85% of the cases dealt with, according to information given The Financial Post.

Chief reasons for the applications are:

1. Conversion of low-wage peacetime industry to higher wage war production.
2. The wish to overcome wage differences between neighboring centres, to keep workers from drifting.
3. The desire of management to change the basis of pay and introduce the incentive system.
4. Introduction of cost-of-living bonus where none was paid before.

In all, thousands of wage adjustments have been made across the country. It is estimated that in Ontario alone wage control authorities have handled 4,000 applications.

The legislation which set up the National War Labor Board, supplemented by a regional board in each province, provides that wherever wages are "depressed" or "substandard" permission may be sought for revision.

However, any applicant for higher wages must prove his case, and there are certain standards established by which to govern the decision.

Case in Point

In the commonest example, an industry finds itself faced with the necessity of shifting from peacetime to war work. Its wage rates under peacetime conditions may have been low, because of the nature of the work or other economic conditions. Now it finds itself competing with war industries for labor, and has to pay higher wages or not get workers.

Now aiding in plywood plane construction, the furniture industry has to get skilled men who know the peculiar problems of making plywood parts to direct and train its own woodworkers in the new jobs they must do. To get these men, higher wages have to be offered than are customary in the furniture industry, and this inevitably means some increases will be sought by other workers who acquire the same skill.

As another example, Windsor, Ont., has long been an important industrial centre, specializing on automobiles, trucks and their parts. At the same time Windsor is a centre where average weekly earnings at July 1 this year, as given by the Dominion Bureau of Statistics, were $40.55, considerably higher than reported for any other major city in Canada.

One result is that towns and cities within a reasonable radius of Windsor find their workers drained to the centre of high pay unless wage adjustments can be made. Such a condition could be expected to result in application for higher wages from workers and employers in centres like Chatham, Tilbury or Leamington, all relatively close to Windsor.

There are similar high wage districts in most provinces. Toronto and its surrounding area is one; Montreal, Winnipeg and Vancouver are others.

Regional Discrepancies

Confronted by such cases the policy of the national or regional boards would likely be to permit higher wages in the surrounding areas, to even out regional discrepancies.

Despite the thousands of cases heard, The Post is told that over the country as a whole perhaps not more than 5% of employers have been affected by wage increases resulting from war labor board decisions or have been party to such applications.

Applications From Employers

While recently many more applications are being received from employers than from employees, in a substantial number of cases the application is a joint one. This kind of application is ordinarily a simple one to decide, as the problem of reconciling opposing positions is not present.

War labor boards insist on having all necessary facts before they make a decision or ruling. If they are not satisfied with the information given by the applicants they have the power to send their own inspectors into the plant and examine the firm's books. This has proven necessary in only a few cases.

Sometimes the information given is incomplete or incorrect. A good example is that of a lumber firm which applied for wage increases to certain of its employees. The board had access to average wage rates being paid in comparable positions in the lumber industry.

As a result of this knowledge the application was refused. The lumber firm appealed the ruling, and at the appeal it was brought out that the wage increases were desired in a department making airplane propellers, a job which required a degree of skill considerably above that of the average lumber mill employee. The application was at once granted.

Present Trend

There seems no agreement whether the peak of applications for wage increases has been passed. Some connected with war labor work feel the number of applications is slowing up. Others insist that the boards are receiving as many applications as ever. These admit, however, that the boards are now able to deal with most applications more promptly than they could at first.

A number of principles have been established which are helpful. For example, an application is received from a company in a particular industry, perhaps the pulp and paper industry. This requires a complete investigation into prevailing wages and working conditions, and on the basis of this investigation a ruling is made. But the second application from a pulp and paper company does not mean anything like this amount of work as the facts are already available.

So far, it is stated, there has been no noticeable increase in applications for wage increases following imposition of deduction at the source for the current high taxes on personal income. The tax increase caused considerable uneasiness among officials, but has not had the consequences feared.

It is admitted that wages in war industry are higher on the average than in peacetime, but there are logical explanations for much of this which have nothing to do with changes in wage rates. Take the farm implement industry as an example. Most units in this industry are today extremely active on war work, making shells, airplane parts, tank parts and many other items.

Under normal conditions a farm implement firm might have been using a piece rate method of paying its workers and finding it satisfactory. But when the switch to war work was made, it has invariably been found that the workers are soon earning substantially more than before, even without any adjustment in basic rates.

War Work Wages

The accepted explanation is that war work such as shell manufacture is a repetitive process in the course of which the worker acquires great skill. On a piece work basis of payment, his average earnings go up simply because he now has a chance to develop a skill that was impossible under peacetime production policies of constantly changing work and movements. The worker is earning more but he is producing more.

The point is emphasized that there have been no general wage increases; that increases are only granted where it can be established that prevailing rates are "depressed" or "sub-standard" in comparison with competitive or nearby industries. It is also significant that more applications are received from employers than from employees. The former finds it necessary to change "substandard" rates if he wishes to keep his workers.

Economic Investment Trust reports net income for the five months ended Aug. 31, 1942, before income and excess profits taxes, of $37,700, equal to 94 cents a share. This compares with $44,700, equivalent to $1.12 a share, for the corresponding period of 1941. Market value of securities held at Aug. 31 was $2¼ millions, compared with $2.3 millions at March 31 this year. Net asset value per share was $30 at Aug. 31. The trust paid an interim dividend of 62½ cents a share on Oct. 1 and will wait until results for the full year are available before determining the final payment. For the last two years it has paid $2 a share annually.

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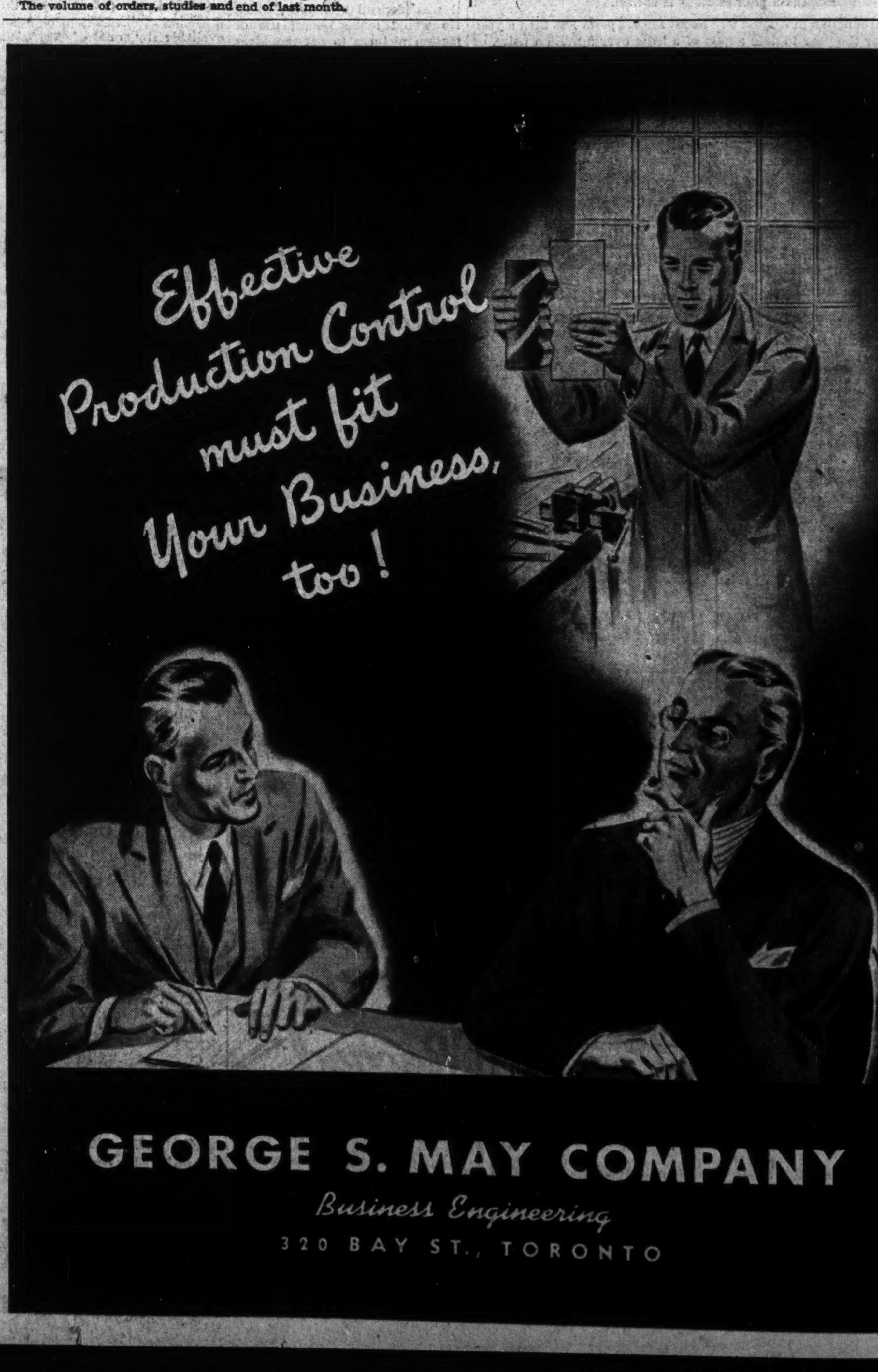

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Peacetime Industry Goes to War

Ottawa Expert Finds Strange Jobs For Civilian Plants

By IAN SCLANDERS

There is no more metal or rubber for children's toys so one of Canada's leading tricycle manufacturers is turning out hand grenades on a large scale. A cooking utensil firm is doing a good job on cartridge cases and metal helmets, and a silverware company makes nose containers for bombs.

Behind these and other recent conversions from peace to war production (see list elsewhere on this page) is the displaced industries branch of the Department of Munitions and Supply, headed by young, able Dr. J. Richards Petrie, economics professor at the University of New Brunswick, who is now on loan to Ottawa.

His job is to see that every plant capable of handling government orders is listed in the proper category, and to save whatever can be saved of civilian industries threatened with disaster by the wartime squeeze. It isn't easy.

"My big trouble," he explains, "is that you can't build a tank in a small machine shop."

With plans under way for concentration of industry in Canada, his work becomes doubly important. He is co-operating closely with those in charge of the concentration programme. His reports on toolage, labor force and management of industrial units from coast to coast will influence decisions when consumer production is allocated.

Meanwhile, as more and more civilian factories are "knocked out" by shortages of material, by manpower restrictions, and by Wartime Prices and Trade Board orders, "Dick" Petrie sticks close to his desk at No. 4 temporary government building on the banks of the Ottawa River.

His lunch always, and often his dinner, are brought in to him from a near-by restaurant so he can work through meal hours. The lights in his office seldom go out before midnight.

His "follow-up man," attractive, blue-eyed Miss M. S. Dewolfe, works nearly as long as Petrie. A university-trained dietitian, she found preparing meals a dull occupation during war time, went to work in a war plant, proved so efficient that Munitions and Supply commandeered her services. Like Petrie, she hails from New Brunswick.

Richards Petrie was one of the most brilliant students the University of New Brunswick ever had, and also one of the best football players. He went to the University of Chicago on a scholarship for post-graduate studies, was later on the staff of that school, worked so hard on the huge Chicago vice probe in the 'thirties as one of the research experts that he cracked up physically. After a long period of convalescence, he took a post on the faculty of U.N.B. Several months ago, he was borrowed by the government.

How the Branch Works

Many of the manufacturers who lay their grief on his lap have plants of such a nature that they can't be adapted to any sort of war production.

Petrie's first step after he is approached is to get complete data on mechanical equipment and personnel of the plant in question. Connected with his branch is a field organization with offices in most major cities from Vancouver to Halifax.

In the last three months, a total of 619 firms, seeing the handwriting on the wall, applied for war work to keep them operating. It was found the displaced industries branch had made engineering surveys of 362 of these before the applications came in. The other 257 were surveyed immediately.

Scores have since received government contracts, but not by any means all.

If a plant seems as though it may be of use later, even should a contract not be available now, it is put on a list. As a government order comes up, its capacity is reviewed.

"You can't," Petrie says, "mess up production by pulling a contract out of the air. Unless a man has the labor, the tools, the managerial ability, he's just out of luck. We have to ascertain what each plant can do. In most cases, it is very difficult to find work which is suitable."

Hardest Hit

Firms to which he can offer little hope are those engaged in sheet metal work, wood work and the garment trade.

This is not a "sheet metal" war, and the government has all the open stamping and press capacity for sheet metal that it needs or is likely to need.

Wooden requirements are relatively small—munitions boxes, tables, benches, odds and ends.

The soldiers, sailors and airmen being clothed by the government are only about one twentieth of the population. Their uniforms cannot take up the slack in the garment trade which results from restrictions imposed on labor and raw material.

Firms engaged in automobile servicing and similar lines are also up against it. Their buildings are often suited to manufacturing projects but they lack the necessary tools and can't get them.

"The kind of tools they can get wouldn't be for sale if they could be used in war work," Dr. Petrie points out. "We have a long list of such firms."

He also has a list of 237 vacant industrial buildings which might prove suitable for some kind of war production. As soon as a company goes out of business, a listing is made. Copies of this go to the Department of National Defense and to the production branches of the Department of Munitions and Supply.

Time Element

These days, Petrie works against the clock. The acute manpower shortage has added a vital time element to his job.

The reason for this is that if a plant once closes down, even for a short while, other industries absorb its labor force in the fashion of blotting paper absorbing ink. In areas where the labor famine is most serious, a factory which had lost its labor would have little chance of getting it back, could not do so without great difficulty. Meanwhile, even the smoothest running organization would have been disrupted.

Whether a factory still has its labor force intact is one of the chief factors taken into consideration by the Department of Munitions and Supply when it awards a contract. Experience has shown, particularly in recent months, that one which has not, may easily find itself unable to fulfill the terms of the agreement.

Wartime Prices and Trade Board officials who are planning the programme to concentrate industry now get from Dr. Petrie a weekly report on all available open plant capacity—a "box score" of displacements. At the same time they receive all the information produced by the engineering surveys.

When concentration of an industry with 100 plants, say, is being considered, these surveys are carried out to learn what war work each plant has, what percentage of its total output is for direct war purposes, what toolage it has, what labor force.

A point weighed is whether a factory is in a "tight area," where war plants badly need labor. Concentration of civilian output will be steered away from such areas.

Dr. Petrie's work also has a tie-in with selective service authorities.

Where he lists a concern that is seriously displaced, and finds its plant capacity will not be useful for war work, he provides selective service with data as to the number and skill of the personnel involved, so these people may be shifted elsewhere.

Concentration Casualties

When an industrial group is to be concentrated, advance information will go to Petrie from W.P.T.B. so surveys may be started as soon as possible. Idea of this is to allow the concentration programme to be "cushioned" to the greatest practical extent, and to avoid dislocation. Plants suitable for conversion to war work will be given contracts which enable them to make the change without a shut-down period.

Dr. Petrie is no "Pollyanna," doesn't close his eyes to the fact that this war will have many industrial casualties, that people will see swept away by government restrictions businesses they spent a lifetime building.

In one industry he surveyed, he found that 35% of the plants are of little or no use for the production of war supplies.

"If concentration squeezes them out, they are out at least until this war ends," he says grimly.

Meanwhile he is doing everything he can to salvage what can be salvaged, and to step up war production. Perhaps his master stroke was the conversion of an enamel firm to making special bronze ingots.

The case of this firm looked absolutely hopeless, until careful investigation and a good deal of research uncovered the fact that the same electric furnaces which processed the enamel would melt bronze. Petrie has to be versatile, has to use imagination. It takes imagination to picture a tricycle plant in terms of hand grenades.

Business Shifts to War

Here are some samples of recent conversions from peace to war production made by Canadian plants—

Peace Product	War Product
Pumps	Components for Munitions
Washing Machines	Military Stretchers
Celluloid Toilet Articles	Anti-gas Eye Shields
Outdoor Signs	Boxes for Munitions
Shoes	Shell Primers
Electric Irons	Primer Boxes, Naval Fittings
Church Organs	Wooden Shell Boxes
Refrigerators	Steel Shell Boxes
Typewriters	Aircraft Compass Parts
Clocks	Nose Firing Plugs
Cushion Springs	Land Mines
Zippers	Striker Clips for Bombs
Corset Clasps	Parts for Gas Respirators
Auto Lights	Steel Helmets
Enamel	Bronze Ingots
Agricultural Implements	Depth Charges
Structural Steel	Ships

—Photo by Wm. Notman & Son.

NAMED DIRECTOR

Walter Lambert, well-known naval architect, who has been named director of Marine Industries Ltd. Mr. Lambert was born in England, but has practised his profession in Canada for many years. He has been associated with Marine Industries since 1940, having taken an important part in putting the activities of this firm on a wartime footing.

The Week in Oils

From Our Own Correspondent

CALGARY.—Returns from the Alberta oil industry for Aug., 1942, have been reported by the Conservation Board. August oil and natural gasoline output totalled 846,635 bbls. (27,310 bbls. per day), while revenue from oil sales totalled $1,293,071 ($41,712 daily).

The comparable figures for Aug., 1941, were: production 853,563 bbls. (27,534 bbls. daily), and revenue $1,301,225 ($41,975 daily).

The August returns boost the totals for the first eight months of this year to a barrel yield of 6,836,130 bbls., and a return from sales of $10,459,340. This represents an increase in production for the eight months' period compared with 1941 of 352,697 bbls., and a revenue gain of $1,897,172.

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Production Analyzed

Aug. 1942, production was made up as follows:

	bbls.
Turner Valley:	
Limestone oilwells	814,080
Limestone gaswells	1,446
Shallow oilwells	551
Natural gasoline	18,149
Red Coulee	833
Vermilion	6,737
Wainwright	1,389
Dina field	380
Princess field	1,382
Taber field	994
Tilley field	694
Total Alberta	846,635

Not included in the returns shown above is the output from Abasand Oils' operations in the McMurray tar sand area of northern Alberta. Mining and extraction operations are again in progress there, with the Conservation Board's August report showing 5,025 tons of oil sand mined, and 4,522 bbls. of crude oil produced.

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The Dominion oil controller's executive assistant, G. B. Webster, arrived in Calgary recently. He will confer with oil operators and conservation officials about ways of stepping up crude oil production. He wants to get the views of Alberta operators.

• • •

Dismiss Alta. Appeal

In a judgment handed down by the Supreme Court of Canada, the Alberta government was informed that it did not have the right to collect a crown royalty on oil and gas production from "freehold" or "patented" lands, granted by the Dominion Government prior to the transfer of natural resources to the provinces in 1929. (This refers to land grants, not to leases, issued by the Dominion).

The case involved the province's attempt to collect oil royalties on lands held by Majestic Mines of Edmonton, in the Taber area.

The judgment is an important one. A ruling in favor of Alberta would have paved the way for a drive to collect crown royalty on other freehold lands, held by numerous individuals, and by such groups as Canadian Pacific Railway, C. & E. Corp., Hudson Bay Co. and others.

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Aids Well Drilling

Setting a precedent western oil operators would like Alberta and the Dominion to follow, Quebec has granted substantial concessions to speed the search for oil in Gaspé peninsula. The concessions, approved in a recent order-in-council, were announced by Paul Payette, head of an eastern Canadian and American group now engaged in development of an 85,000-acre reservation on the Gaspé.

Quebec has waived the usual rental of $1 per acre per year on the entire tract up to the time when a minimum production of 500 bbls. of oil per day is obtained, after which the rental will apply.

• • •

Allow Credits

All Royalties payable to Quebec from production will apply as a credit on the lease rentals. In addition, all money expended on the property (including road construction, camp building, geological work and drilling expense) also piles up as a credit applicable to future rentals after production reaches 500 bbls. per day.

Under the order-in-council, the maximum gross royalty payable on any production that may be developed is set at 12.5%. This is payable when production is in excess of 200 bbls. per well per day. A 10% royalty is payable when production during any three months period is under 200 bbls. per well per day, but over 50 bbls. A 5% royalty is payable if production is under 50 bbls. per well per day for any three months period.

The Gaspé project of Payette and associates will be undertaken through Continental Petroleums. The company is capitalized at 900,000 shares, $1 par value. The reservation is being transferred to the company without addition of any gross royalty. Only the crown royalty, therefore, will be payable. The geological work on the reservation has been completed, and the two initial drill-sites staked.

• • •

Drill Five Areas

New locations have been staked recently in five Alberta areas, Turner Valley, Taber, Tilley, Princess, and Rolling Hills.

The Imperial Oil group provided two new locations for Turner Valley. The first, Northwest Hudson Bay No. 12, is to go down in L.S.D. 8 8-18-2w5, in the south extension of the field, offsetting Northwest H. B. No. 6 producer to the east. The second site is for Northwest Hudson Bay No. 13, to be drilled in the centre of L.S.D. 9 8-21-3w5, in the north extension area, offsetting Major 4 producer to the north and Northern Pete. 1 to the west. These new sites will likely be drilled with the rigs now at Northwest H. B. Nos. 8 and 9, both currently drilling in the lime.

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Imperial "Wildcats"

Imperial Oil also extended its "prospect drilling" operations to Rolling Hills, 20 miles south of Tilley and 30 miles northeast of Taber. The initial well-site, Imperial-Rolling Hills No. 1, has been staked in L.S.D. 1 10-14-13w4. Cellar has been started, and the light rotary from the Tilley No. 7 test is now being moved in.

In the Tilley area, location has been staked for Imperial-Tilley No. 8, to be drilled in L.S.D. 13 6-17-12w4, about 1½ miles south and west of Tilley No. 2. The light rotary used at Monogram No. 2 is being moved in. Monogram No. 2 and Tilley No. 7 have been abandoned, also Monogram No. 3.

Making the Most of Reports

Many Companies Adopt Interesting Techniques

By ARTHUR D. ELLWOOD

What do shareholders want in the annual reports of companies in which they are interested, and to what extent do company officers attempt to provide for the desires of their shareholders?

Many surveys have been made to answer this question, one of prime importance to all investors, to the companies themselves, to their employees, and to the public generally.

While no single answer can be given it is not hard to ascertain a number of vital matters which should be handled in the annual report. Some examples might be listed as follows:

1. Reasonable and informative comment on the present position and discernible future.
2. Comparative details as to earnings, taxes, sales and financial position, covering not only the past two years but a longer period to indicate trend and, in some measure, how the company is maintaining its position in its chosen field.
3. Changes in properties and products, matters particularly important in wartime with its sweeping and sudden changes.

Many Improvements Made

There have been important changes in the annual reports in recent years, in the direction of improving the report to make it more interesting, more informative and of more value. Charts, pictures, statistical tables and other devices were used in last year's crop of reports.

Public utility companies have been in the van in presenting more information and making it easier to understand. Jamaica Public Service Ltd. has long used charts to illustrate growth in its dollar revenues and in its sales of power. It includes each year historical tables showing the long term growth in its operations and uses comparative figures freely. Brazilian Traction follows a similar policy and, in addition, gives a complete picture of general economic conditions in Brazil, a mystery to most of its shareholders were it not for this annual message.

Shawinigan Water & Power Co. in its latest report leads off with an "Honor Roll" of its employees on active service. This company also uses charts, long term tabulations of financial and operating details, and a colored map illustrating properties and their scope. For its chemical subsidiary, Shawinigan lists the products which it produces.

Charts and Illustrations

Mention should be made of the annual report of Bell Telephone Co., of Canada. Here again a few charts and comparative figures enable the shareholder to follow operations intelligently. Limited use is made of illustrations to suggest the scope of the construction projects which the company is continually completing.

Dominion Stores Ltd. is another company to feature an honor roll of its employees on active service. It makes liberal use of illustrations of its stores and warehouses.

Canadian Industries Ltd. gives an interesting story of its operations, lists its main products. This year two features in this report are noteworthy. One is a comparison of the changes which 20 years have made in Canada's chemical industry by charts and diagrams and the other is a chart of the company's administrative set-up.

Canada Packers outlines conditions in the agricultural industry as they affect the company's operations and makes use of comparative figures and charts one a dramatic presentation of the growth in Canada's shipments of bacon to Britain.

Some U. S. Ideas

These are examples of what has been done in Canada. Recently Printers' Ink reviewed a few of the outstanding ideas developed by United States companies in presenting their annual reports.

Devoting the first page of the annual report to "interesting facts" or "important facts about a record year." Union Oil Co. and Bendix Aviation Corp. dramatize increases in sales, increased plant floor space and facilities, rise in employment, use of new subcontractors, and tax changes. In each case comparative figures are shown.

Equitable Life Assurance Society adopts the comic strip idea to show what happened to each dollar it collected in 1941.

Another concern sent its report to customers as well as stockholders. It holds that such action, in a period when war production is the company's primary aim, will do much to maintain contact with customers.

A Dairy Story

A double page centre spread is used by National Dairy Products Co. to give certain facts about the dairy industry. It tells the sources and distribution of the sales dollar, cost trends in representative commodities purchased, progress of dairy farm production and cash farm income from dairying, trends in the company's sales volume and unit selling prices, nutritional values of milk and changes in America's eating habits.

A striking human-interest design on the cover is used by a member of companies, some of which emphasize their products and its uses, others production methods and achievements.

Pictorial Balance Sheet

A pictorial balance sheet presents in bar chart from the principal asset classifications arranged against liabilities over a two year period. This was used by General Foods Corp. which circularized its shareholders with a questionnaire. The result was useful comments on the company affairs as well as on the report itself. Employees also received a copy of the report and were likewise asked such things as:

Do you keep your report for reference; do you pass your report along to friends after reading; do you desire to have copies of this report mailed to you in future?

United Air Lines offers shareholders a large full-color photograph of a "Mainliner" in flight and gives them the opportunity to ask for current time tables and travel information.

Another company devotes space to a sales manual for stockholders, and includes photographs of its principal products, their uses and advantages. Other ideas develop different pictorial treatments of events likely to interest shareholders, for instance, Borden Company's pictorial report from "Elsie," its famous cow, concerning her "tour" of the United States.

Oil Royalties

Producing Wells — Prices and Payments

	Oct. daily allow. bbls.	Sept. daily allow. bbls.	June pay. 1% $	July pay. 1% $	Aug. pay. 1% $	Paid to Aug. 31 1% $	Dealers offering price 1%* $
Ace No. 1 gross	525	525	241.87	230.24	219.32	3,370.55	....
Alta. Oil Inc. No. 1 gr.	82	82	48.40	36.40	33.60	3,465.60	1,300
Do., No. 1 net	82	82	39.60	30.40	25.60	3,972.40	1,000
Do., No. 2 gr.	485	485	234.80	229.60	234.40	3,633.60	8,200
Do., No. 2 net	485	485	213.60	166.40	168.00	5,525.00	5,000
Allied No. 1 pfd.	95	95	45.84	42.61	38.12	656.26	....
Arrow No. 1 net	116	116	70.00	49.00	47.00	1,381.60	1,800
Do., No. 2 net	186	186	80.00	64.90	70.00	1,352.20	2,300
Atlas No. 1 net pfd.	105	105	62.40	....	48.80		1,600
Atlas-Br. D. No. 2 pfd.	654	654	416.00	317.60	329.20	1,529.60	8,000
D. & D. net pfd.	75	75	32.40	27.60	26.80	1,747.80	1,000
East Crest No. 5	130	130	69.20	59.20	59.20	187.60	2,100
Independent No. 1 p.	220	220	133.92	114.60	103.03	1,820.42	3,700
Do., No. 1 gr.	220	220	97.75	103.42	89.75	1,864.07	....
Major Oil No. 1 pfd.	108	108	61.60	62.00	46.00	650.00	1,500
Do., No. 1 gr.	106	106	60.80	59.20	54.80	1,429.40	....
Do., No. 2 pfd.	578	578	376.40	284.80	289.60	4,022.20	5,800
Do., No. 2 gr.	578	578	286.40	273.20	277.60	5,100.80	10,000
Do., No. 3 net	825	825	476.80	280.40	283.20	5,236.00	8,000
Do., No. 3 gr.	825	825	373.20	376.00	380.80	4,684.40	....
Do., No. 4 pfd.	299	299	292.40	149.20	144.00	1,806.00	4,700
Do., No. 4 gr.	299	299	218.80	134.80	128.40	2,106.00	....
Do., No. 7 pfd.	650	650	....	....	....	....	7,500
Do., No. 7 dfd.	650	650	....	....	....	....	4,400
Do., No. 7 gr.	650	650	....	161.60	290.80	452.40	9,400
Do., No. 8 pfd.	529	293	....	....	....	....	4,800
Do., No. 8 gr.	529	293	....	....	176.40	176.40	6,500
Do., No. 8 dfd.	529	293	....	....	....	....	2,500
Do., No. 9 gr.	427	427	45.20	250.00	230.80	526.00	....
Do., No. 9 pfd.	427	427	....	....	....	....	4,900
Do., No. 9 dfd.	427	427	....	....	....	....	2,300
Miracle No. 1 pfd. net	415	415	155.36	152.09	139.53	4,339.03	4,000
Do., No. 1 gr.	415	415	273.68	203.20	178.12	4,181.40	....
Do., No. 2 pfd.	304	304	260.91	146.81	132.63	858.34	4,200
Do., No. 2 gr.	304	304	196.94	131.60	133.38	461.92	....
[illegible] No. 1 pfd.	95	95	46.56	38.00	52.89	137.25	1,800
Winalta No. 1 pfd.	81	81	41.20	35.60	46.80	3,382.70	1,000

*Approximately 25% over dealers' list prices.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Atlas-Br. Dom. No. 3 pfd.	7,966	*4,875
Bonaventure pfd.	6,047	3,700
Major Oil No. 6 pfd.	7,704	6,300
Major Oil No. 6 gr.	7,704	8,000
Miracle No. 3 pfd.	5,890	4,900
Miracle No. 3 gr.	5,890	6,400
Northcl. No. 1 pfd.	7,632	3,500
Northcl. No. 1 dfd.	7,632	2,000
Northcl. No. 1 gr.	7,632	5,400
Northend No. 1 pfd.	8,639	3,300
Northend No. 1 dfd.	8,639	1,800
Northend No. 1 gr.	8,639	4,800
Northend No. 2 pfd.	6,450	3,700
Northend No. 2 gr.	6,450	8,000
National Vulcan No. 1	2,125	*4,875
New Ranchmen's pfd.	1,600	*3,200
Empire pfd.†	....	*1,100
Hi-Test Pet. pfd. †	....	*3,600
Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.

YOU NEED NOT BE
Another Silkworm

Whether the silkworm will ever regain its full vigor and crawl back to its former position in the apparel and hosiery markets remains to be seen.

Certainly, its path is bestrewn with obstacles, not the least of which is that nothing good is being said about it, either by its promoters or by the public.

Public attention is today being focussed on the substitutes for its product.

Unlike the silkworm, few industries need be forgotten. If, in your organization normal business is interrupted by war reductions, you can do something about it.

Already, many are taking the necessary steps to retain and to enhance their goodwill.

Now is the time for research departments to work overtime developing new products and improving existing products.

Now is the time, too, to remind the public that you'll be ready after the war is over to serve them, to serve them even better than you have ever done in the past.

Use "sustaining" advertising in media that will project your goodwill into the future to ensure your organization's future in the brighter world of tomorrow.

If you are seeking a copy theme, ask to see "The Gallery of Sustaining Advertising," a collection of outstanding advertisements that have appeared in British, Canadian and American periodicals during the past year.

MACLEAN'S MAGAZINE and CHATELAINE
481 UNIVERSITY AVE., TORONTO
MONTREAL LONDON, ENG. NEW YORK CHICAGO

This Week The Financial Post Asks

What would make our Army more attractive to recruits?

(Continued from page 3)

Col. E. A. Baker

Veteran officer, first Great War and managing director, Canadian National Institute for the Blind, Toronto.

I believe real Canadian citizens and especially the sons of ex-service men are sound and patriotic. Those who have not yet volunteered are concerned not only for safety of their freedom, families, and homeland but wish to avoid hardships for their dependents during service, and disadvantage for themselves afterwards if fortunate enough to return. I suggest:

1. Conscription for unrestricted army service to equalize the contribution.

2. Reduce differential between less hazardous work at home and more hazardous army service abroad. The cost-of-living bonus is given to men employed at home but is not given to dependents of men serving.

• • •

John T. Barnes

Mayor of Sarnia, Ont.

The majority of men expect action when enlisting, with the thought in mind of bringing the present hostilities to a quick, successful conclusion. Under the present arrangements draftees sign for home duty only with the privilege of taking a second oath of allegiance for overseas service.

This creates friction among the personnel of the army and in my opinion can only be overcome by full, all-out conscription which would practically guarantee equal action to those serving in the air force and navy.

The army might recognize more seriously civilian qualifications of enlistees so that they could serve where best suited.

The second front, if possible, might help enlistment in the army.

• • •

Hon. Herbert A. Bruce

Former lieutenant-governor of Ontario, prominent Canadian surgeon, veteran officer first Great War, member of parliament for Parkdale, Toronto.

Make the army one army—recruited under the same law, subject to the same obligations, and therefore all enjoying the same public support and respect.

• • •

Col. J. L. Boulanger

Quebec City, Quebec.

Voluntary enlistment should not mean a financial loss for Canadian recruits. There is no sense to expect the best men of the country to enlist at a dollar thirty per day when unfit and discharged men are making from five to ten dollars in war or private industries. Canadian army pay should be increased in proportion so that recruits won't have to face financial worry. The best inducement for enlistment is a reasonable remuneration for men ready to risk their life for the defense of their country.

• • •

T. A. Cumming

Editor, Journal, Ashcroft, B.C.

The army should have no particular attraction to draw recruits. The fact that it is one's duty to serve his country when it is seriously threatened by an aggressor power should be sufficient "attractiveness" in itself to draw loyal countrymen to the ranks. A government should not have to pamper or apologize to any man to get him to fight for his homeland if the cause be just. A soldier's life at its best is a hard one, especially when in action. When a boy joins up he knows he will have to endure the worst kind of hardships, so why make him think otherwise by offering and promising false attractions to draw him into the uniform.

• • •

W. F. G. Hughes

Editor, News, Transcona, Man.

Glamorize the entire Canadian fighting system. Every soldier should be a specially highly-trained athlete. Give them "superman" punch. Develop young officers with quick promotion from the ranks. Every man in the service should learn a trade or vocation. Training should follow him from one camp to another and a diploma given him when his training is complete. Every man should leave the army on discharge qualified to take up a definite position in civil life.

Give the Highlanders in Canada their kilts for dress. Food and billeting should be unified in all ranks. There should be no distinction between the army, navy and airforce. Increase the pay of all active men.

• • •

Gillis Purcell

Of the Canadian Press and official war correspondent for that organization in Great Britain until the end of last year.

Probably the simplest way to make the army more attractive to men outside is to make it as attractive as possible to men in the army. Here are three suggestions which express the views of men in the ranks:

1. Insist that food be served attractively—not merely "dished up."

2. Arrange more reasonable rates on railroads for leaves. Hundreds of soldiers spend two weeks pay to travel 300 miles on a 72-hour pass.

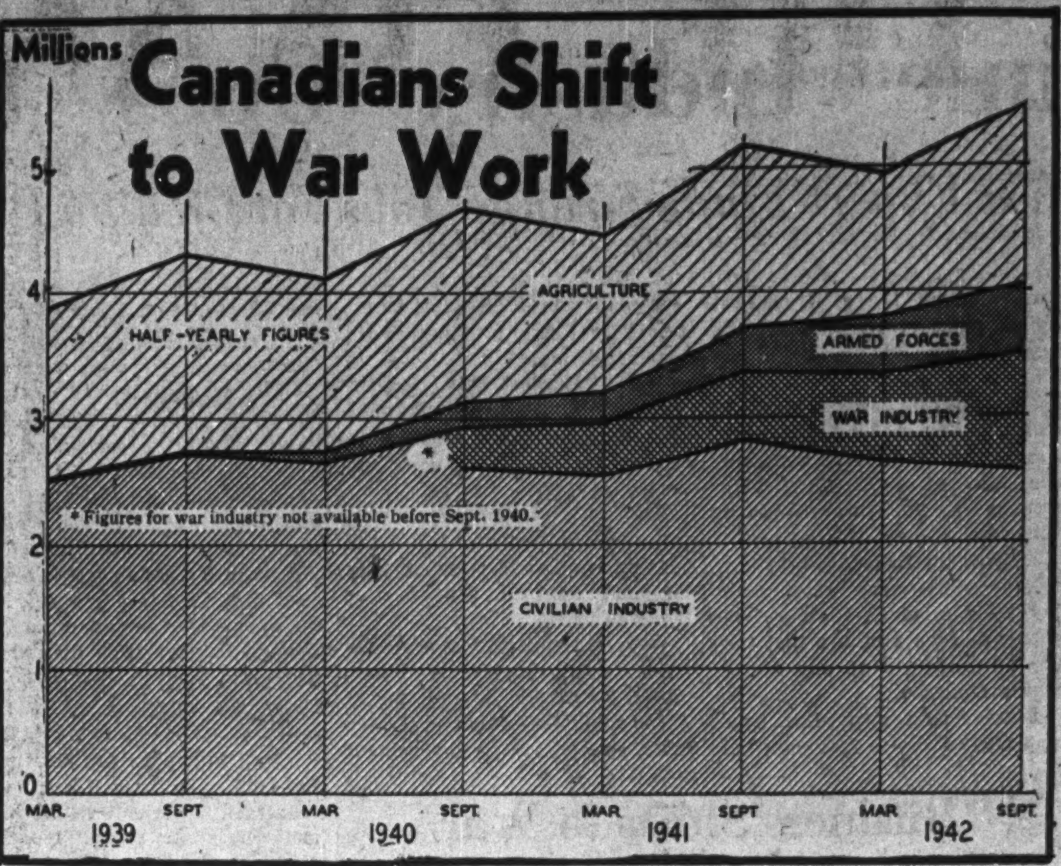
3. Introduce battle drill in basic training centres as a substitute for the type of drill now taught.

• • •

B. W. Whitside

Mayor of Simcoe, Ont.

The young man of our day is a happy, fine and easy going fellow who likes a show. Like anyone else he loves a parade of swinging arms, marching feet and brass bands. At each training centre have a precision squad and band to show off a bit to the army. Have the much talked of "walking out" dress issued. Men used to a variety of clothing will get tired of spending their leisure hours in their training uniform. Let's glamorize the army and you will have a fighting force of which anyone may be justly proud. This is the opinion of a young man who will be eligible in a short time for military service.



Gradual concentration of Canada's man and womanpower in war industries or the armed forces is shown by the above chart prepared by the Bank of Canada. The figures have been taken from the best estimates available. Significant is the fact that although nearly 1.5 million individuals are now engaged directly in war work or the forces, there are still substantially as many engaged in civilian work as before the war. It would appear that to date the war effort has been sustained largely by new workers and formerly unemployed individuals. With these reserves nearly drained, future expansion will have to be at the expense of civilian industry.

Staff Changes

The Royal Bank of Canada announces the following staff changes:

E. A. HAMILTON, head office, to Monkland and Beaconsfield, Montreal.

W. A. THOMPSON to be manager, Hervey Station, N.B.

J. E. McARTHUR, office of assistant general manager, Toronto, to be assistant manager, Windsor, Ont.

S. H. RAMM, to be assistant manager, Regina, Sask.

J. H. N. BLANCHETTE, accountant, Chicoutimi, Que., to be accountant, Lachine, Que.

C. R. DUCHESNE, to be accountant, Place d'Armes, Montreal.

V. H. EMENEAU, accountant, Liverpool, N.S., to be accountant, Sydney, N.S.

E. A. HEADMANAK, accountant, Tramways Terminal Montreal, to be accountant, Stanley St., Montreal.

J. G. McLAY, accountant, Clinton, Ont., to be accountant, Niagara Falls Centre, Ont.

W. L. WILSON, accountant, Sherbrooke & Bleury, Montreal, to be accountant, Tramways Terminal, Montreal.

L. J. GAY, of Hervey Station, granted leave of absence to engage in military service.

Obituaries

John E. Hess, aged 47, at St. Catharines, Ont., transformer engineer of the English Electric Co. of Canada, at St. Catharines.

Richard Martin, aged 66, at Toronto, of Martin & Martin electrical contractors of Toronto.

John Ferguson, at Markham, Ont., president and managing director of the Oriental Carpet Manufacturers (Canada) Ltd. of Toronto.

George W. McLaughlin, aged 73, at Oshawa, Ont., former vice-president General Motors of Canada, director National Trust Co., Massey Harris Co., Duplate Safety Glass Co., Moore Corp. Ltd.

Newfoundland Adds Surplus

$4 Millions Surplus in First Quarter; Transfers Another Million to U.K.

Financial position of Newfoundland continued to improve in September with a surplus of $1.5 million being registered on the month. This brings total surplus for the first three months of the current fiscal year to $4 millions, as compared with $1.8 million a year ago.

On Sept. 3 a further $1 million was transferred, as a temporary non-interest bearing loan for war purposes, to the United Kingdom. This brings total advanced to $5.1 millions exclusive of advances from the sale of war savings certificates.

Revenues and Expenditudes September

	1942 $	1941 $
Revenue:		
Customs	2,170,712	1,521,164
Posts and telegs	100,306	78,259
Assessor	233,016	94,530
Nat. resources	8,424	9,829
Other	159,700	89,939
Total	2,672,158	1,793,721
Expenditures		
General	1,123,713	917,297
Int. charges	......	2,842
Total	1,123,713	920,139
Surplus	1,548,445	873,582

Three Months ended July

	1942 $	1941 $
Revenue:		
Customs	5,748,705	3,748,968
Posts and telegs	340,687	224,216
Assessor	705,917	325,311
Nat. resources	35,848	57,348
Other	426,950	239,682
Total	7,258,107	4,595,525
Expenditures		
General	3,189,873	2,711,624
Int. chges.	......	2,842
Total	3,189,873	2,714,466
Surplus	4,068,234	1,881,059

WHERE EVEN CAMELS NEVER TROD!

—"In a cruel, fantastic land where you feel you are in another world, resembling the mountains of the moon"

by RICHARD D. McMILLAN

British United Press Correspondent in the Middle East.

"Dick" McMillan who has served as war correspondent for BUP on many fronts. He has earned the reputation of being one of the most accurate and prophetic reporters of the war.

With the Eighth British Army in the Libyan Desert (By Cable)—Lusting for power over all the southern valley of the Nile and the desert beyond, Persian King Cambyses once sent an army to extend his sway over the Siwa Oasis. His army never was seen again. It was swallowed up in the desert sands without trace.

In the campaign of 1917 against Senussi tribesmen, a British patrol followed in the footsteps of King Cambyses' warriors. But its cars were ill-equipped to conquer the uncharted sands and broke down. The men of the gallant patrol died of thirst.

Now, after two years of war, the British Eighth army not only has mastered the desert, but it has turned forbidding wastes into a network of highways—byways as familiar to the desert troops as a London bus route. The men who mapped the desert had the heart of Empire in mind, and names like Knightsbridge appear on remote signposts where British history is being relived.

Many miracles of the desert are now accepted as commonplace, but one miracle still stands out. I've travelled 50,000 miles over the desert and I have marvelled at the stamina of our motor transports. I've ridden a Canadian-built Chevrolet and seen it take the terrific beating only the desert can give.

I would like to see the Canadian workers who built her. I would like them to see how this car could take it—in the dash out of Tobruk, shells and bombs bursting all around, and sprayed with machine gun bullets as she sped along, out into Cyrenaica and to Mekili, and up and down the Gazala line. Every inch of the way you hit a boulder or a wheel dropped into a drift of sand. She was waiting outside Bir Hakeim where we watched Rommel's Africa Corps hammering against a desert fort. She passed through Libyan wire entanglements beyond the Omars where even camels never trod—down south where the sun really gets molten and you spend half your time digging out of the sands and the other half blowing your breath on the radiator, the only air you can find in this burning cauldron.

I have watched convoys of Canadian-built trucks rumbling across the desert under the Stuka dive-bombers and the rain of shells from long range German artillery, but still carrying forward the sinews of war to the troops in the front line.

The Libyan dust makes you look like a vaudeville comedian and makes you feel—well you want to lie down under the lash of a sandstorm and die—but those drivers take a gulp of tepid water, fight on, and their trusty trucks never let them down.

On an Axis street near El Adem, I have watched a convoy of tank transporters negotiate a stiff escarpment. A desert Khamseen was blowing, making the desert like a London blackout. I called it a day, but not those lads. They ploughed through the packed dust and crawled up the escarpment, hauling General Grants and General Lees, like steel mastodons, to the front.

It is hard going in the desert, but many times a truck got me there. One even got me there along the Qattara depression where you feel you are in another world, resembling the mountains of the moon. It's the ideal desert vehicle.

The Eighth Army needs guns and tanks and planes, but it also needs the right kind of vehicles. So workers of Canada, if you have more to spare, send them over! Send them soon! Then maybe we'll get to Tripoli and drive down the Victory road—through Italy.

"I would like to see the Canadian workers who built these trucks. I would like them to see how these cars can take it. The Eighth Army needs guns and tanks and planes, but it also needs the right kind of vehicles. So, workers of Canada, if you have more to spare send them over! Send them over soon! Then maybe we'll get to Tripoli and drive down the Victory Road—through Italy!" . . . McMillan.

● **This direct cable from the famous British United Press correspondent with the Eighth British Army in Libya explains why our fighting men all around the world are clamouring for vehicles built in Canada. Modern military strategy demands their use in overpowering numbers, regardless of transport conditions in the bad lands of every continent. Thousands of these vehicles, we are proud to say, are built in the plants and shops of General Motors of Canada, where men and women stand devotedly to their tasks, for . . . *VICTORY IS THEIR BUSINESS!***

CANADIAN-BUILT GENERAL MOTORS **WAR PRODUCTS ARE SERVING IN EVERY THEATRE OF WAR**

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 17, 1942 | 10c a Copy; $5.00 a Year | No. 42

Only $1 a Day—The Price of Victory

Only about half this year's bills of our war effort are paid. Our heavy load of taxes meets only about 51 cents on the dollar of government expenditures. The balance must be borrowed.

Today Canada is spending about $1 a day for every man, woman and child in the Dominion. That means that collectively we are short in our accounts about 49 cents a day per person when we come to reckon up the costs of the war effort we, the people of Canada, have demanded.

In this Third Victory Loan, Canadians are being called upon to settle the account to the extent of $750 millions. That amount would carry the entire cost of war for approximately two-and-one-half months. Below, The Financial Post shows what that amount will buy in terms of direct war materials and fighting power. But what we are really doing is paying for the other half of the bill to which Canada is already committed.

As we have paid our industrial costs by sacrificing civilian industry and peacetime pursuits, so must the financial costs of war be met—by reducing our spending in a similar proportion.

Through that difficult path, the costs of war can and will be met. Admitting the individual sacrifice, the facts of Canada's ability to pay are undisputed. The money is there — savings deposits have now recovered from the $1 billion loan of last January. The income is there—it cannot be otherwise, since every dollar the government spends turns up in someone's pay envelope.

For three years Canadians have demanded a total war effort, a fighting and producing army that would eclipse anything that Canada has ever had in the past, that would go far beyond the limits of the apparently possible. Every achievement has been a spur to greater goals, every production triumph has led to demands for even greater triumphs.

Already Canada has become a major fighting force. Over half a million men and women are in the armed forces, nearly a million are engaged in direct war work. The weapons we produce have steadily grown in numbers and quality, and most of them at reduced unit cost.

When this massive shift to war was demanded, Canadians knew that the costs would be heavy.

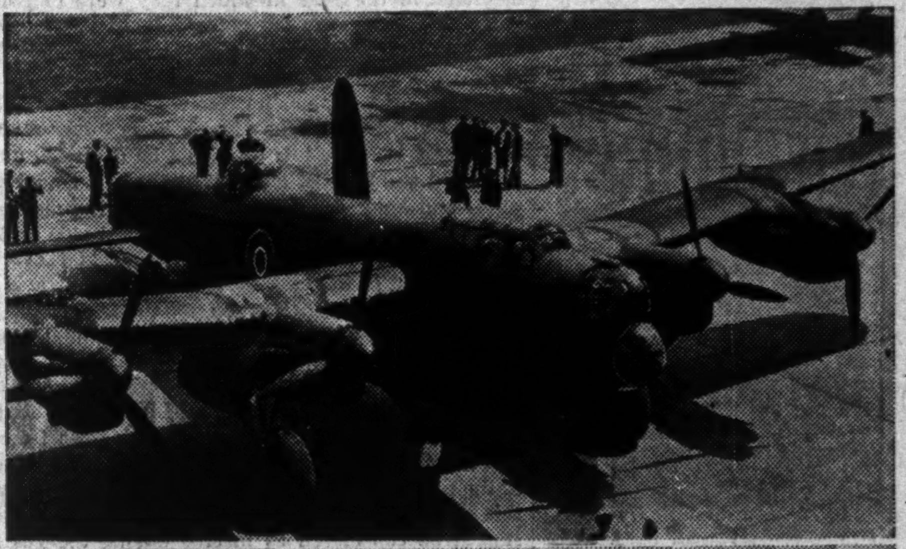
Civilian industries have been jostled into second place, plants have been closed or transferred to war work, materials have been restricted, in some cases shut off completely. These are the industrial, business and consumer costs of war. As the sights are raised, each increase in our own war objectives brings further encroachment on our normal way of life.

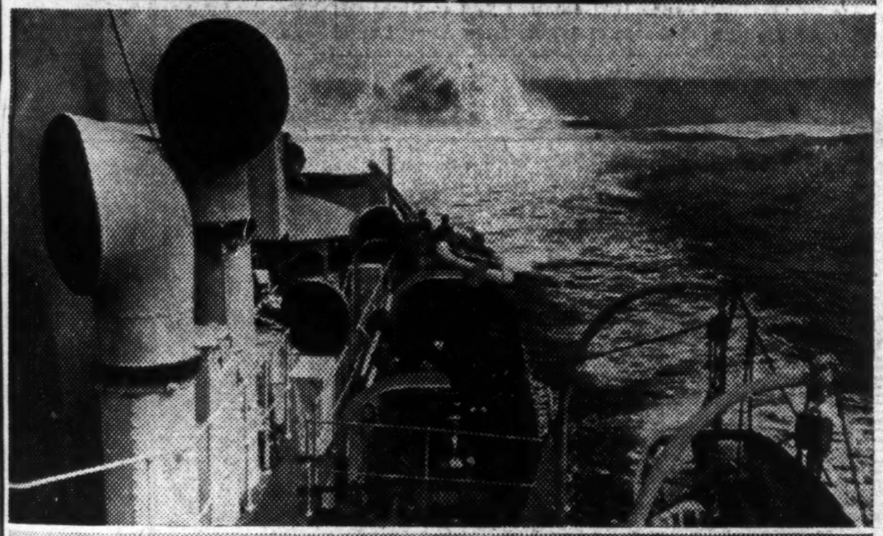
And the money will be forthcoming. It will come as the result of the individual Canadian's will to Victory, his insistence on paying for the kind of war effort he has demanded. To a great extent, it will come as the result of management and labor co-operation in the factories, a vital factor in previous loans. It will come from the farms, where farmers can now (in effect) buy bonds with produce. It will come from the working capital of industry and the accumulated savings in the insurance companies and other financial institutions. Like its predecessors, the Third Victory Loan will be a triumph for democracy at work.

What Our $750 Millions Will Do

**Build 2,208
Ram Tanks
For The Army**

**Build 397
Lancasters
For Britain**





**and
Build 55
Corvettes
For The Navy**

**and
Pay Canada's
Munitions Bill
For 73 Days**

**and
Pay Our Air
Training Costs
for 5 Months and**

**and
Maintain 300,000
Soldiers Overseas
For Eight Weeks**

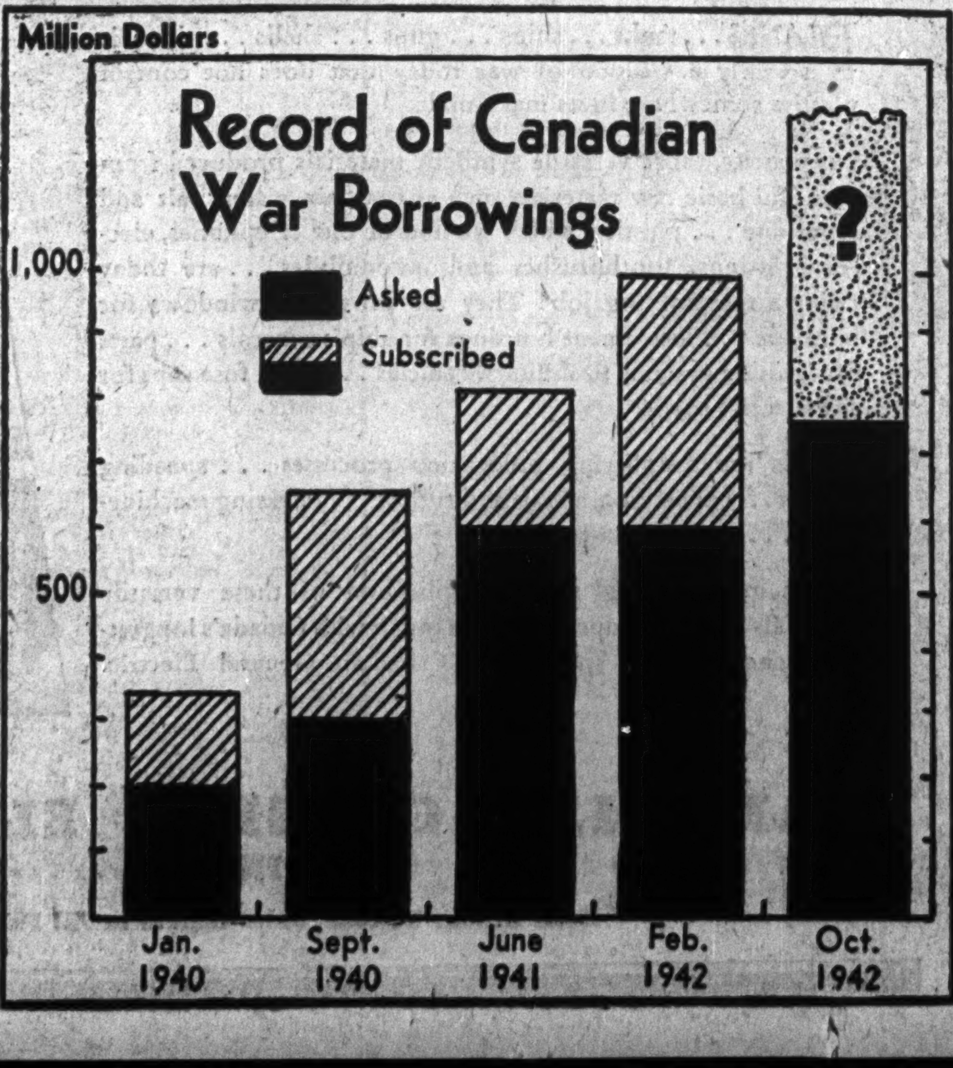
This estimate of what $750 millions will do has been worked out on a pro rata basis using the percentage forecast in the 1942-43 budget as follows:

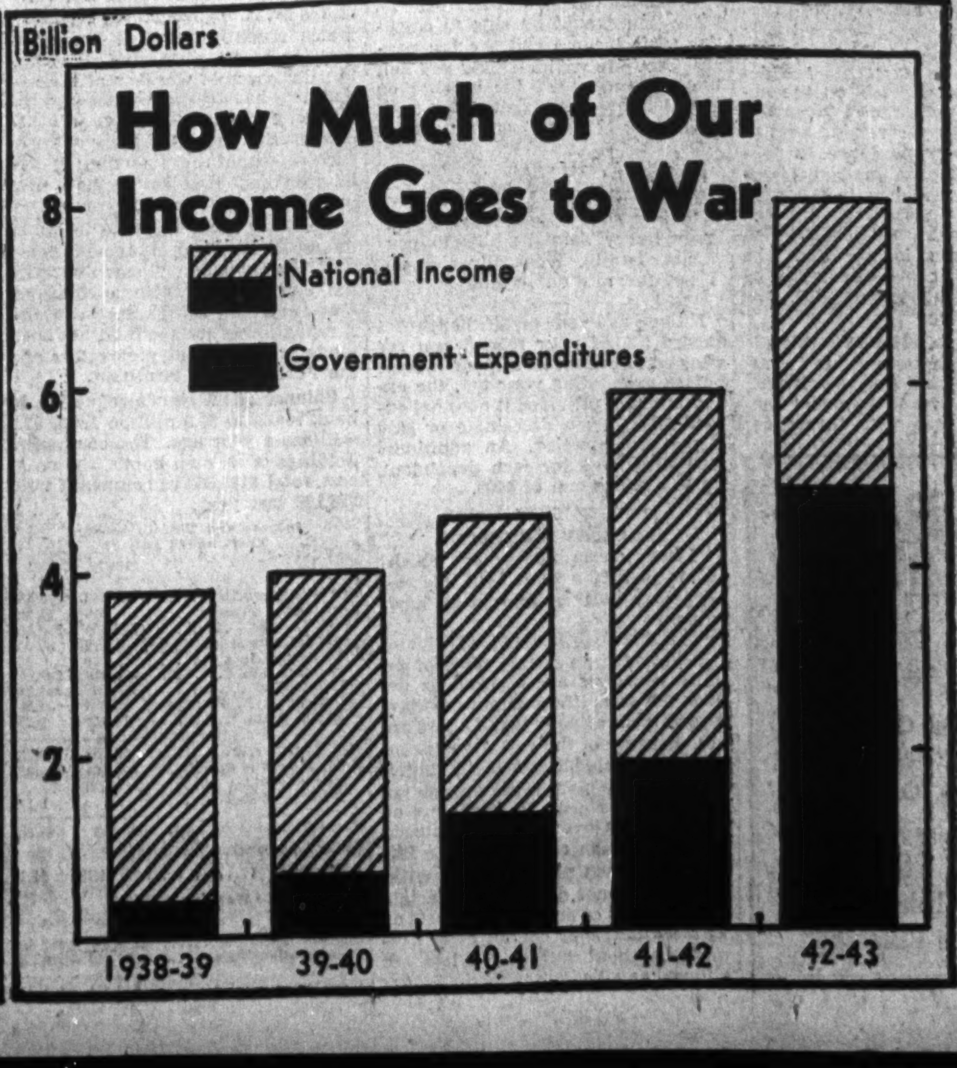
	%		%
Army	26.5	Munitions	9.4
Navy	6.9	Gift to Britain	26.5
Air	15.5	Government	15.2

Where the Money Comes From

	Millions
Indirect Taxes Customs, excise, sales tax, etc.	$706
Personal Income Taxes Not including refundable taxes	463
Corporation Taxes Income and excess profits taxes	745
Succession Duties	15
Miscellaneous	16
Non-tax Revenue Income from sinking funds, etc.	105
Refundable Taxes Compulsory savings, refundable corporation taxes	95
Loans	1,755
Total	$3,900

Buy Victory Bond's





Where the Money is Going

	Millions
Army	$1,000
Navy	260
Air	585
Munitions & Supply	355
Gift to Britain	1,000
Ordinary Government Including $84 millions to provinces on reciprocal income tax deal	570
Contingencies	130
Total	$3,900

Buy Victory Bonds

Perhaps Canada Can Supply Your Raw Materials!

If your former sources of raw materials have been cut off, it's time you called on our Department of Industrial Development. We can advise you . . . and perhaps help you to find new sources of substitutes.

Back of this Department are years of experience and accumulated first-hand information on Canadian resources and raw materials. It is, in effect, a clearing house for such information as well as for industrial information . . . sites . . . labour . . . fuel . . . power . . . agencies . . .

This Department is at your disposal. Your problem will be treated as confidential and the service offered is without charge or obligation.

Canadian Pacific

DEPARTMENT OF INDUSTRIAL DEVELOPMENT

MONTREAL
G. G. Ommanney, Development Commissioner
F. W. Collins, Industrial Commissioner
W. G. Cowie, Development Engineer
A. B. Smith, Industrial Agent
F. P. Gutelius, Industrial Engineer
TORONTO
R. H. Brunk, Industrial Agent
WINNIPEG
G. M. Hutt, Asst. Development Commissioner
R. J. Prittie, Industrial Commissioner
CALGARY
E. J. Semmens, Travelling Industrial Agent
VANCOUVER
C. W. McBain, Industrial Agent
LONDON, ENGLAND
R. R. F. Kingscote, Industrial Agent, (office Shrewsbury, Eng.)

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Announce the arrival from England of our New Fall and Winter Materials. Suitings and Overcoatings of the same high quality from the best London Houses. We advise you to buy now, just what you need.

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To The Travelling Public:
HOTEL LONDON
London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.75; running water and toilet.
Single room with shower, $3.00.
Single room with bath, $3.50.
Single room with tub and shower combination, $4.00.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $5.00.
Double room with tub and shower combination, $5.50.
Twin bedrooms, with tub and shower combination, $6.00.
Soliciting your appreciated patronage.
H. F. STRUCKETT, Manager

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Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

To answer the questions involved in today's complicated tax setup, Molyneux L. Gordon, K.C., Toronto, has written this new and authoritative series of articles for The Financial Post.

Mr. Gordon has specialized on tax questions, and is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939 with one supplement 1937-39 and another to appear next April. Mr. Gordon is also the author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942."

Profits Should be Timed

ARTICLE NUMBER FOUR

By MOLYNEUX L. GORDON

The question as to the year in which profits are earned and the date when expenses may be deducted is a matter of great importance.

In the case of an individual taxpayer, his taxes are based upon a percentage which increases very rapidly as income goes up. Consequently, it is to his advantage to keep his income at the same level as far as possible.

In the case of a company which is subject to excess profits tax, it is most important that the profits during the standard years should be as high as possible and the increase, if any, reduced to moderate proportions.

Questions arising on this subject have been submitted to the courts on more than 70 occasions and many of them could have been solved to the benefit of the taxpayer if due care had been shown in making the original arrangements. The following matters should be borne in mind:

Cheques should be credited on the dates on which the taxpayer can obtain payment.[1] Dividends are credited on the dates they are paid and not the dates on which they are declared.[2] The holdback on a building contract is usually payable and should be credited 30 days after the work is completed.

Arrears of salary must be credited when received and cannot be apportioned during the years in which they were earned.[3]

Inventory Losses

Losses in inventory may be deducted in the year in which they were incurred,[4] but contrary to general opinion, if the goods have not been delivered but depreciate in price the loss cannot be deducted in the year in which goods were ordered but must be deducted in the year in which they were delivered.

In 1921,[5] a paper company ordered 2,000 tons of esparto grass and 1,000 tons of sulphite pulp, most of which was undelivered at the closing of its financial year which ended on April 30. Prior to the close of the financial year, the market price of these goods dropped and the company had a loss of over £18,000. The Scottish Court held that the loss could not be deducted until the goods were delivered and pointed out that although a trader who has purchased goods and holds them in stock may, if the market falls, deduct the loss, this is an exception to the general rule and the principle has never been extended to cover the case of probable or unavoidable loss incurred in the execution of future contracts.

Tax on Rate Received

If money is wrongfully withheld and finally recovered, the payment must be credited on the date on which it is received and not on the date when it ought to have been paid. A shareholder[6] of three companies carrying on business in India instituted legal proceedings restraining the directors of these companies from acting on a resolution passed in November, 1917, authorizing them to divide 90% of the profits made by such companies among themselves. He settled this claim in December, 1924, and claimed that the amount received should be considered as income during the years in which it was earned, but unfortunately it was all taxed in the year in which it was received.

There are many cases where the taxpayer has the right and may, with absolute propriety, at his option credit the payments in different periods. Storage charges are usually credited when the goods are removed, but there is no reason why the warehouseman should not require payments to be made monthly. A distillery in Scotland[7] agreed to store whiskey under an arrangement that payment was to be made when the whiskey was removed. The court stated that every contract is just what its own terms make it and as, under the particular contract, the money was not to be paid until some years after the whiskey was received, the distillery could not be taxed until the payment was due.

Bonus Payments

Bonuses are often given contractors for savings and sometimes amount to very large sums. If arrangements are not made to the contrary these bonuses are payable and consequently must be credited after the completion of the contract; whereas there is no reason why the taxpayer should not arrange that the bonuses should be paid during the progress of the work.

In March, 1920,[8] a large wholesaler obtained a contract with the Munitions Department for the disposal of surplus stores. Under the terms of a subsequent agreement the wholesaler was entitled to a bonus of £36,000 if he obtained certain results. He received the bonus in 1923 and in view of the fact that no one could possibly tell whether the actual results would warrant the payment of a bonus until the transaction was complete, it was held that the bonus must be credited in the year in which it was paid.

In case of contracts extending over a long period, the profit ought not to be credited until the completion of the contract because no one can foretell the cost of building the last unit.[9] There is no reason, though, why the contractor should not stipulate for payment as each unit is completed.

Damages Received

Damages for breach of commercial contracts must be credited at the date of settlement. In December, 1920,[10] a shipbuilding company agreed to accept £35,000 to cancel a contract but requested the payment should not be made until after the end of its fiscal year. The court naturally held that, as the settlement had been completed in 1920, the amount due should be credited in the same manner as any other uncollected account but no one is compelled to agree to a settlement on any particular date if he can obtain an advantage by making the settlement at a later date.

These unfortunate taxpayers would have saved a great deal of money if they had put the matter off until after the close of their fiscal year.

Executors and trustees are usually paid when the work is done. As the winding up of an estate or the liquidation of a company may often extend over a number of years and the fees sometimes amount to a substantial sum, it is wise for such persons to obtain the approval of the court to interim allowances.

REFERENCES

(1) Income Tax Case No. 71 (1926) 3 S.A.T.C. 60; (2) Income War Tax Act, s. 12; (3) Capital Trust Corporation v. the Minister (1937) S.C.R. 192; (4) Young & Co. v. Commissioners (1925) 12 T.C. 827; (5) Collins & Sons v. Commissioners (1924) 12 T.C. 773; (6) Bason v. the Commissioners (1927) 2 I.T.C. 523; (7) Dailuaine-Talisker Distilleries v. Commissioners (1930) 15 T.C. 613; (8) Rownson, Drew & Clydesdale v. Commissioners (1931) 16 T.C. 595; (9) Hall & Co. v. Commissioners (1921) 3 K.B. 152; (10) Short Bros. v. Commissioners (1927) 12 T.C. 955.

Your Income Tax

Payments of income taxes collected at the source have now started. In this weekly column, The Financial Post answers problems you may have in connection with your income tax. In some cases, rulings have yet to be made, hence The Post can only cite informed opinion.

Wife Has Annuity

Some years ago my wife and I bought Dominion Government annuities which we are now receiving. My wife's annuity is for $600 but she has investment income that brings her total income up to about $750. Although her annuity is tax free I believe I am classed as a single man for tax purposes. Is this correct?

We understand you will be classed as a single man for tax purposes even though your wife's annuity is tax free itself. Her annuity while tax free is regarded as investment income and this with her other income amounts to more than $660. Accordingly, as she has an income of her own exceeding $660, which is not earned income, you will not be allowed the deduction of $150 of a married man. Your own annuity, under a contract entered into before June 24, 1940, will be tax free but you will have to pay taxes on your other income.

Pension Fund Payments

Are payments by an employee into a pension fund deductible from income for income tax purposes?

Whether these payments are deductible or not depends on the nature of the contract. Normally where an employer retains part of the salary of an employee as payment into a pension fund and himself contributes money to the fund both employer and employee can deduct the amount each contributes, when calculating income tax. The maximum that can be deducted by the employee this way is $300.

War Risk Insurance

I own some houses which I rent and from which I derive income. I intend to insure these under the government war risk insurance plan. Can I deduct the premiums as an expense from my income when computing income tax?

The situation as regards private individuals in a situation like yours is not yet clear but it would appear probable that you will be allowed to deduct up to 40% from your total taxes payable under income tax and excess profits tax, the same as a corporation.

Retail Merchant

I have a retail store and have been paying my income tax normally in March or April, after I finish taking stock. The reason for paying then is that I don't know how much I should pay until I have taken stock. Under the regulations is it all right for me to make my income tax return and pay my tax as usual, or am I supposed to pay something this fall?

Under the new regulations you should estimate your income for 1942 now and pay one quarter of the estimated tax at once. Oct. 15 was the date when due. Then on Jan. 15 you should pay another quarter of your estimated tax. On April 15, when you should be able to calculate your income and the tax payable accurately, you should pay half the remainder and the balance on July 15, 1943. You should file your income tax return on or before April 30.

Dental Expenses

This spring and summer I had very heavy dentist's bills to pay for my family. What allowance do I get for this on income tax?

If these and your medical expenses exceed 5% of your salary, you are allowed to deduct from your income before calculating your tax, the excess amount, provided it does not exceed $400 if you are single or $600 if you are married. An additional $100 is allowed for each dependent, up to a maximum of $400.

Annuity Payment

I have an annuity policy which costs me $200 a year. Will this reduce my income tax and by how much?

Payments into certain types of annuity contracts are allowed as deductions from the compulsory savings portion of your tax. Others are not. Because of the variation in contracts, it would be wise to submit your annuity plan to the income tax authorities. Normally payments on Dominion Government annuities which a person can drop for a few years and then pick up again without loss are not deductible. Certain other classes of annuity contracts on which a taxpayer cannot drop payments without suffering a loss are allowed as a deduction.

Company Reports

Securities Holding

Securities Holding Corp., management type investment trust, reports net profits for the year ended June 30, 1942, equivalent to $1.75 a share on its preferred stock against $2 a share for the preceding year. Dividends totalling $1.40 a share were paid in each year.

Securities held at June 30 last had a book value of $542,765 and a market value of $456,710. Comparative figures for June 30, 1941, were $550,619 and $528,633 respectively. Net assets per preferred shares were equivalent to $23.75 a share at June 30 this year compared with $27.23 a year earlier.

Income and Surplus Account
Years Ended June 30

	1942 $	1941 $
Revenue (after div. tax)	38,945	46,318
Less: Expenses	4,125	4,278
Income & E. P. taxes	2,400	5,300
Net profit	32,420	36,740
Less: Pref. divds.	25,770	25,770
Surplus for year	6,650	10,970
Add: Prev. surplus	19,639	19,639
Less: Trans. to invest. res.	6,650	10,970
Surplus forward	19,639	19,639
Earned per share:		
Preferred	$1.75	$2.00
Paid	1.40	1.40
Equity per share:		
Preferred	$23.75	$27.23

Western Grain

A. C. Reid, president, in the annual report of Western Grain Co. comments that the government crop estimates recently released show extremely heavy yields for all grain, but unfavorable weather at time of maturity has drastically lowered the grades, and continued wet weather has resulted in a lot of grain being of such condition that its handling will be a difficult problem for both producers and the elevator companies.

Mr. Reid notes that the terms of the wheat handling agreement made with the Canadian Wheat Board by the elevators establish a considerable reduction in handling charges. A reduction in storage rates has been made at both country elevators and the Fort William terminals.

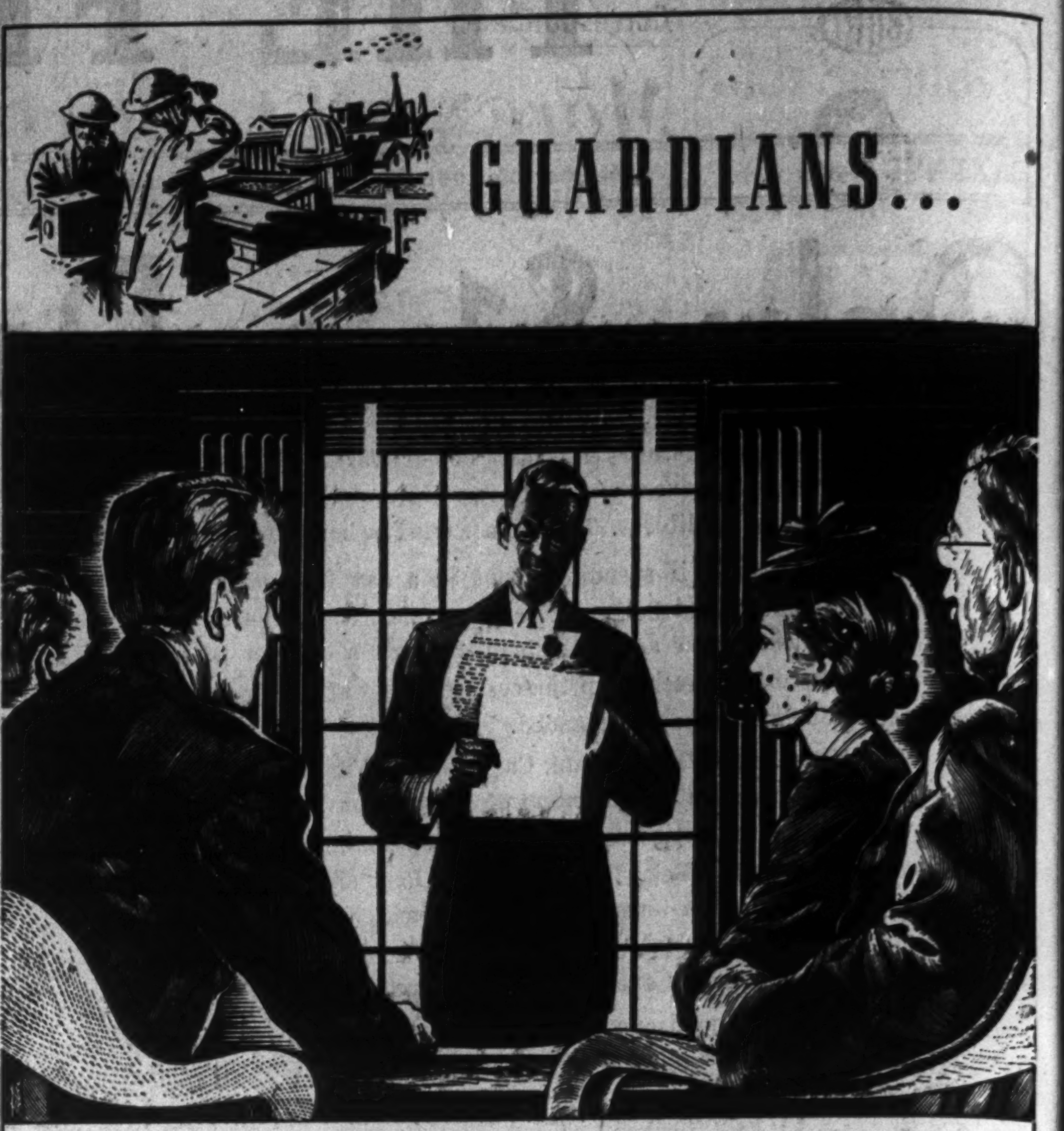
Balance sheet shows reduction in bank loans to $1.9 million from $2.8 millions a year ago. The company's holdings of its own bonds, shown at cost, total $182,352 as compared with $28,102 last year.

Income and Deficit Account
Years ended July 31

	1942 $	1941 $
Operating profit	509,563	579,260
Add: Other income	446	19,250
Total earnings	510,009	598,510
Less: Ex. sals & leg. fees	28,310	32,006
Directors' fees	650	850
Depreciation	238,279	236,875
Interest	163,200	163,200
Income & E. P. taxes	28,274	54,000
Exch. prem.	14,829	8,247
Net profit	53,299	103,332
Add: Previous deficit	643,884	749,331
Tax adjust.	5,429	......
Prof asset sale	......	2,115
Earned surplus forward	585,155	643,884
Earned per share:		
Preferred	$4.13	$5.17

Working Capital

	$	$
Current assets	3,879,192	4,650,522
Current liabilities	3,256,711	4,214,864
Working capital	612,481	435,658



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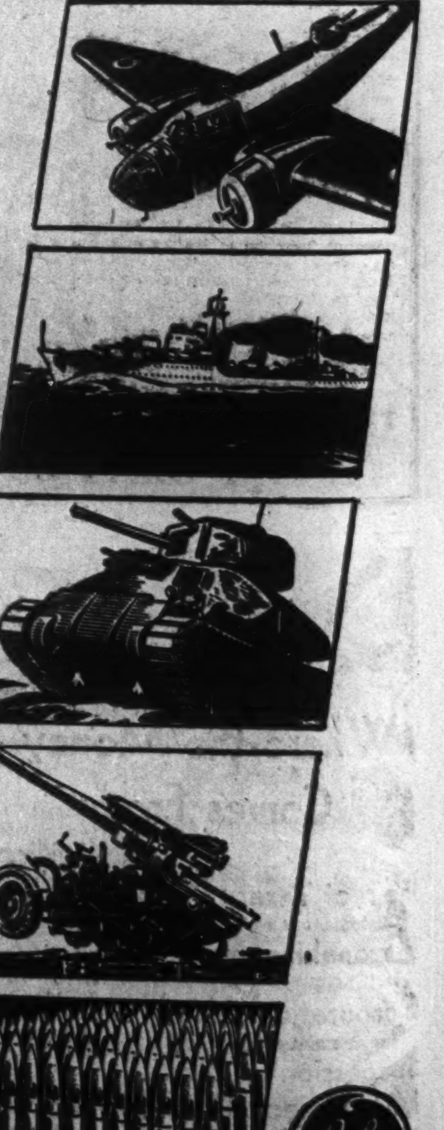
Dominion Coal Co. Operations Higher

From Our Own Correspondent

MONTREAL. — Dominion Coal Co.'s Cape Breton and Springhill collieries produced 3,431,725 tons of coal in the nine months ended Sept. 30 last. This represents an increase of 200,000 tons or 6.2% over the like period of the preceding year. Compared with the first nine months of 1940, however, this year's output was lower by approximately 290,000 tons, or 8.3%.

Borrowings of Toronto Stock Exchange members as at the end of Sept., 1942 totalled $6.8 millions, a decrease of $47,681 from August and $2 millions lower than Sept., 1941. At the same time, quoted market value of all listed stocks as at Sept. 30, 1942, totalled $3,303.7 millions, an increase of $70.4 millions over Aug. 31. Ratio of borrowings to quoted market values amounted to .20 of 1% as compared with .22 of 1% at the end of August and .23 of 1% in Sept., 1941.



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Correspondence

More on B.C. Electric Railway

Company Vice-president Enlarges on Utility Hearings

Editor, The Financial Post:

I have observed in the Oct. 3 issue of The Financial Post, at page 8 a reference to the recent hearings of the British Columbia Public Utilities Commission affecting the B.C. Electric Railway Co. and its allied companies. Under the title "B. C. Power Faces Split-up Move," there is a statement which is incorrect, and which no doubt results from unfamiliarity with the Public Utilities Act of British Columbia.

The first paragraph of the article in question, which apparently emanated from your Vancouver correspondent, reads as follows:

"A proposal to split the B.C. Electric (B.C. Power) system into several separate corporate units operating different services is being strongly opposed by spokesmen for the Company."

Part 3, Section 15, of the Public Utilities Act of British Columbia reads in part as follows:

"In fixing any rate:

"(c) Where the public utility furnishes more than one class of service, the commission shall segregate the various kinds of service into distinct classes or categories of service; and for the purpose of fixing the rate to be charged for the service rendered, each distinct class or category of service shall be considered as a self-contained unit, and the rates fixed for each unit shall be such as are considered just and reasonable for that unit without regard to the rates fixed for any other unit. If it is considered by the Lieutenant-Governor in Council that the rates as so determined might be inequitable or contrary to the general public interest, the Lieutenant-Governor in Council may direct that two or more classes or categories of service shall be considered as one unit in fixing the rate."

Can Group Services

You will see from the foregoing that the act contemplated the establishment of rates which in theory would enable each branch of utility service—i.e. transportation, gas, power and light—to be self-sustaining, and presumably to be allowed to earn a fair return on the capital invested in each branch of utility service.

It would appear from the act that the commission is obligated in the first instance to deal with each utility service separately, but, as you will see from the section of the act above quoted, application may be made to the Lieutenant Governor in Council to take two or more classes of service and consider them as one unit in fixing rates.

The argument which we made before the commission at the recent hearing was not so much in opposition to the establishment of rates for each utility service as to point out the futility of such procedure. We argued that while it was possible to determine theoretical rates for transportation service, the anticipated revenues from such rates could not be achieved because the fares would have to be so high that the public would not pay them and would find other means of travelling.

We had, of course, during the course of our argument pointed out that the capital required to provide the facilities for rendering the three major utility services had been obtained and financed on the strength and security of the company as a whole. Hence any action of the commission in trying to isolate each unit of service, by endeavoring to fix what might be considered fair and reasonable rates to the public for such service, might make it difficult to obtain capital for the extension and development of that service, which would eventually be detrimental to the public interest.

Rate Problems

We summed up our argument in the following words:

"Each of the services directly or indirectly affects the welfare of all the citizens of the community. It is to the public good therefore that these fundamental services should continue to be treated as a whole, so that the public may have an efficient system of public utility services regardless of special difficulties, which may at any period in the history of the services be affecting any one of them.

"An attempt to set up individual services would mean sharply increased transportation fares with electrical rates remaining substantially the same. In view of the fact that the lower income families are the chief patrons of public transportation, and spend about three times as much on transportation as on electricity, a sharp increase of transportation fares would be a heavy additional burden on the income groups least able to bear it and would therefore be bad public policy.

"We submit that our analysis of the problem leaves no question that the Lieutenant Governor in council should be asked to direct that the B. C. Electric services shall be considered as one unit."

While the public hearings before the commission have not been completed I have thought it well to deal with the matter at some length because of the very substantial investor-reader interest in your publication, and because the article in question might give rise to some misunderstanding.

In conclusion I may say that the commission at the present time is receiving evidence from its own engineering and accounting experts as well as company and municipal representatives as interested parties. The Commission has expressed no views and has given no indication of its decision on the various fundamental issues which are involved in the whole question of regulation.

E. H. ADAMS,
Vice-President.

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East Kootenay Power

In April last East Kootenay 7% bonds matured. I understand it was decided to renew these bonds for a further period. Would you kindly advise if any arrangement has been made to turn in the old bonds?

East Kootenay Power Co. bondholders met last March and approved a scheme of reorganization whereby the maturity of the 7% bonds was extended from April 1, 1942, to April 1, 1952. Under the arrangement bondholders have been notified to send in their bond to the Montreal Trust Co., Montreal, to have the date of maturity changed and new coupons attached.

McColl-Frontenac

As a subscriber of The Financial Post will you be kind enough to let me have a report on the position of McColl-Frontenac Oil Co.?

McColl-Frontenac Oil Co.'s gross revenues last year set an all-time record. After providing for an increase of $730,000 in income tax provision, $11.05 a share was earned on the preferred stock as against dividend requirements of $6 a share. Currently sales are maintained on a satisfactory basis. Despite the higher taxation, it is anticipated the company will be able to show the preferred dividend earned by a comfortable margin in 1942. The achievement of this result, of course, depends upon the maintenance of crude oil supplies for, as is well known, there is a demand for all the refinery products the company can produce.

Canada Northern

I hold some Canada Northern Power stock which is causing me concern. Will you be good enough to let me have your views on the outlook for the company?

Canada Northern Power's position is somewhat indefinite. Not only has the company lost the Noranda and Lake Shore contracts, but it is also influenced by the move toward restricting gold-mining operations. Despite the loss of two major contracts, net operating income of the company has held at a comparatively satisfactory level. For the first eight months of 1942, net earnings, exclusive of provision for income and excess profits taxes, amounted to $1,840,642. This was only $38,598 less than for the like period of the preceding year.

In view of the increased tax bill, net earnings of the company are expected to be on a lower basis than in 1941. Moreover, the indications are for a further shrinkage in revenues, depending upon the extent to which the government carries out its contraction of non-essential industries. Last year the preferred dividend of $7 was covered with a margin of $4.43 to spare. Earnings on the common stock totalled 61 cents a share, or 19 cents a share less than was paid out. The dividend is now on a 15 cents quarterly basis.

Ottawa Car

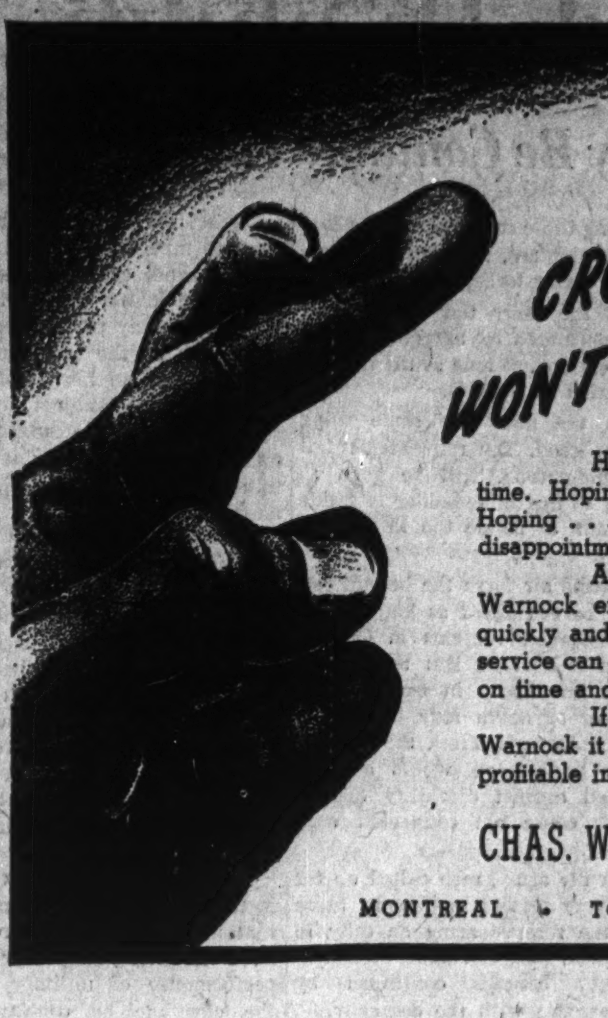
Will you please give me your opinion of Ottawa Car and when it is likely to pay another dividend? The last dividend was paid early in the year.

Ottawa Car & Aircraft is understood to be fully employed on various Government contracts. No particulars are available as to the trend of current earnings, but in 1941 the company showed a net profit equivalent to 59c. a share on the common stock. This contrasted with 56c. a share the year before. The last dividend distribution was made on Jan. 5, 1942, when 20c. a share was paid. There is no established dividend policy and it is thought no action will be taken until the year ends.

Ottawa Light

I hold some of the stock of Ottawa Light, Heat & Power Co. and would like to have your opinion on the continuance of dividends on the preferred stock.

Ottawa Light, Heat & Power Co.'s scale of operations has greatly increased since the outbreak of war, due to the very large influx of newcomers to Ottawa. Operating revenues in the last three years have been established around the $1 million level. However, net profit has shown a tendency to decline—from $235,518 in 1939 to $149,615 in 1941. During the latter year earnings on the preferred amounted to $8.80 as against dividend requirements of $5 a share. While the company is near capacity of operations and taxes are increasing, still it is believed that net profit will be sufficient to cover the preferred dividend.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New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

MANUFACTURE AND REPAIR OF AIRCRAFT. M. & S. order A.C. 1, Sept. 25. Without a written permit, no person may manufacture any aircraft except for the government. No person may repair, overhaul or recondition an aircraft not owned by the government or covered by government contract in a building owned or controlled by the government. Aircraft Con., Ralph P. Bell.

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REAL PROPERTY ADMINISTRATOR. Order in Council P.C. 8764, Sept. 26, makes provision for the appointment by the Wartime Prices and Trade Board of a real property administrator, with wide authority over real estate. Clerk of Privy Council, A. D. P. Heeney.

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SAFETY RAZORS AND BLADES. W.P.T.B. order A-416, Sept. 30. Production of safety razors is cut to 70% of 1940, while the number of blades manufactured in the current 12-month period must not exceed the number in 1940. Metal containers may no longer be used for packaging razors and blades, and copper cannot be used except for plating. Adm. of Fabricated Steel, H. H. Foreman.

• • •

GASOLINE. M. & S. Order O. C. 12D-1, Sept. 29, sets out the procedure by which non-residents operating motor vehicles which are not licensed in Canada may obtain gasoline ration books while in the Dominion. Oil Con., G. R. Cottrelle.

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MILK AND CREAM. W.P.T.B. Order 193, Oct. 2, amends the order respecting the sale of milk and cream in the Greater Victoria area. W.P.T.B. chairman, Donald Gordon.

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PINE LUMBER. W.P.T.B. Order A-419, Oct. 5, fixes the maximum price at which a manufacturer or wholesale dealer may sell lumber of white, red or Norway pine. Timber Adm., A. S. Nicholson.

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BEESWAX. W. P. T. B. Order A-428, Oct. 5. Without written permission, no person shall use Canadian beeswax for any purpose other than making comb-foundations for beekeepers. Reports on sales of beeswax must be made monthly. Adm. of Oils and Fat, Phyllis G. Turner.

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HARD MAPLE, BASSWOOD, ELM AND BIRCH. W. P. T. B. Order A-422, Oct. 6, fixes a revised schedule of maximum prices for hard maple, basswood, elm and birch lumber sold by manufacturers and wholesalers. Timber Adm., A. S. Nicholson.

• • •

NEW FARM MACHINERY. W.P.T.B. Order 192, Oct. 6, directs dealers in farm machinery as to the way in which they must observe the regulations rationing farm machinery. Dealers will be accountable to the administrator for all new farm machinery and equipment in their possession at Oct. 6 or after. W.P.T.B. chairman, Donald Gordon.

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ANIMAL FATS. W.P.T.B. Order A-426, Oct. 6, provides a schedule of maximum prices for the various kinds and grades of animal fats. Oils and Fats Adm., Phyllis G. Turner.

• • •

MEDICAL GARMENTS. W. P. T. B. Order A-430, Oct. 8, restricts the use of elastic material in medical garments to the same amount used in 1941, and specifies the amount of elastic which may be used in various types of these garments. Adm. of Cotton, J. H. F. Turner.

New Books . . .

Alaska Doctor

THE TIME OF MY LIFE. A frontier doctor in Alaska. By Harry Carlos De Vighne, M.D. Published in Canada by Longmans, Green & Co. Price $4.

Here is about the best possible form of "escapist" reading available for nerve-wracked workers in a war-torn world. Swift, vividly human, deeply reverent of man's best qualities, this volume merits a place on any shelf of adventure and service.

De Vighne starts his life story when, as a Cuban orphan of seven, he was watching a political parade in New York's Bowery, in 1884. Mesmerized by the lights, music and marching feet, he fell into step with Shorty McGurk, a saloon keeper and ward healer. The orphan not only fell into step for the parade, but moved into Shorty's house. His early life was made up of similar accidents.

As Bowery newsboy, foster son of an Iowa farmer, as protege of a brilliant but disreputable physician, as sailor of fortune helping smuggle arms to revolutionary Cubans and as widely travelled young hobo, De Vighne early took a realistic measure of mankind and of himself.

A long ambition was finally realized when he worked his way through medical college. Of Alaska, in the rough and tumble early days, he tells an engrossing story and his service was rewarded with appointment as Health Commissioner for the territory.

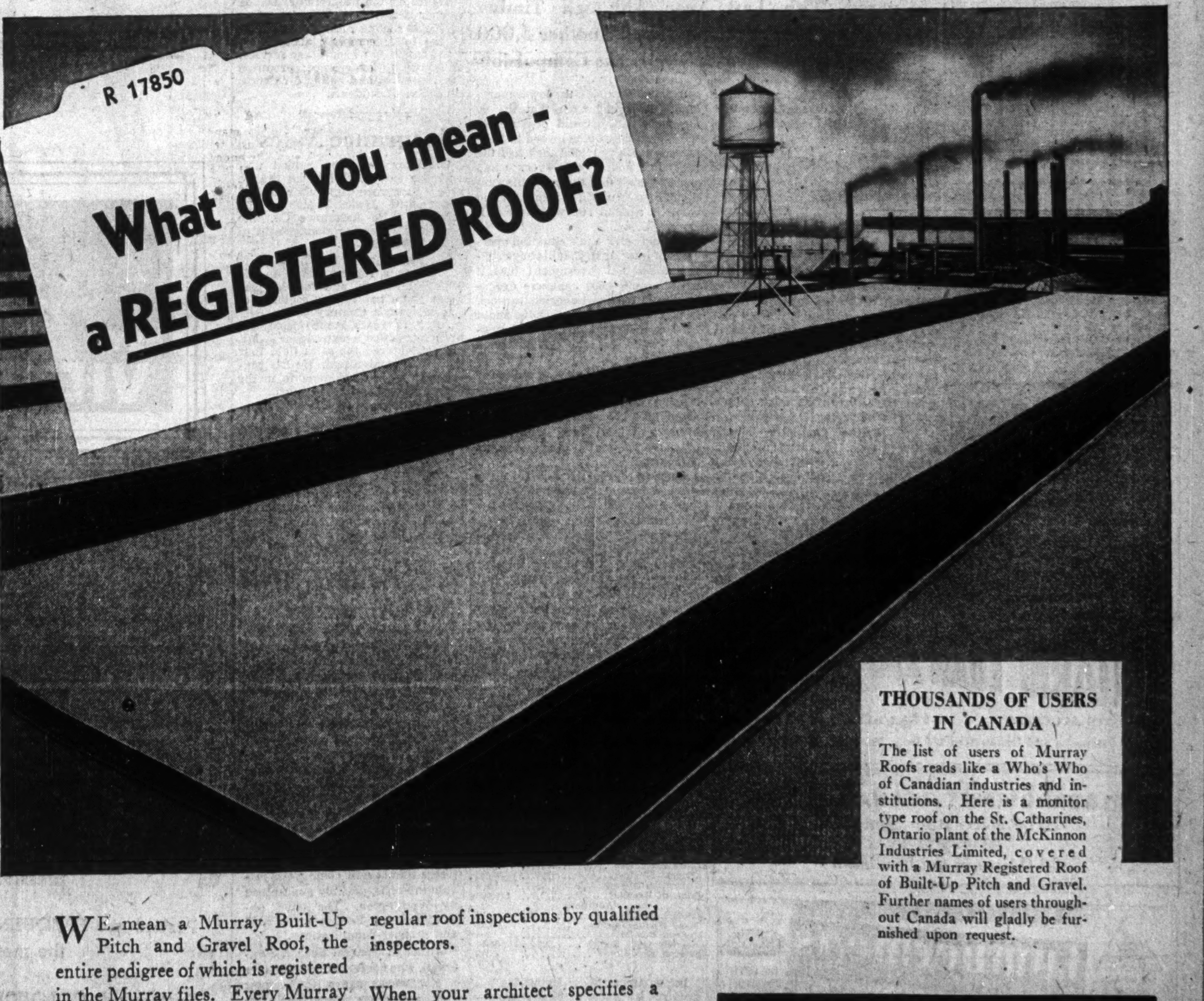
• • •

Trained Thinking

THINKING FOR EVERY MAN. By A. Gordon Melvin. Published in Canada by Longmans, Green & Co. Price $2.50.

Dr. Melvin is professor of education at the College of the City of New York and author of several other volumes designed to help the individual cash in more fully on his natural inheritance. The aim of this book is to tell how to think, how to improve thinking, how to make the mental machinery produce the answers.

Melvin is a Canadian by birth, educated at Dalhousie University, Halifax and served with the Canadian Navy during the first world war.



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The list of users of Murray Roofs reads like a Who's Who of Canadian industries and institutions. Here is a monitor type roof on the St. Catharines, Ontario plant of the McKinnon Industries Limited, covered with a Murray Registered Roof of Built-Up Pitch and Gravel. Further names of users throughout Canada will gladly be furnished upon request.

WE mean a Murray Built-Up Pitch and Gravel Roof, the entire pedigree of which is registered in the Murray files. Every Murray Roof is made of the finest materials obtainable — processed by skilled workmen—backed by Murray's wide and diversified experience. And the registration of that roof in the Murray files is a constant source of complete data obtained through regular roof inspections by qualified inspectors.

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Piccadilly
LONDON
SMOKING MIXTURE

Piccadilly
LONDON
SMOKING MIXTURE
MILD

Weekly Bank Clearings

	Oct. 8 1942 $	Change Year Ago %	Oct. 1 1942 $
Halifax	3,997,888	+9.5	3,675,697
Saint John .	3,612,000	+63.9	2,374,800
Moncton	1,207,005	+9.6	1,189,248
Sherbrooke .	1,318,659	+4.1	823,781
Quebec	5,913,554	+14.3	5,799,586
Montreal ...	166,519,320	+22.9	142,039,424
Ottawa	102,880,231	+70.8	53,621,524
Kingston	970,168	+11.5	752,132
Peterborough	990,330	+29.0	846,442
Toronto	145,734,720	+4.6	135,897,618
Hamilton ...	7,569,968	+2.5	8,316,470
St. Catharines	1,382,128	+16.4	1,662,643
Kitchener ...	1,306,194	+7.1	1,350,891
Brantford ...	1,219,135	+0.6	1,148,612
London	3,359,875	+11.5	2,686,065
Chatham	678,023	—3.0	678,376
Windsor	3,694,291	+15.3	......
Sarnia	566,315	+23.7	542,612
Sudbury	1,100,621	+9.7	1,277,445
Fort William	1,241,457	+6.2	1,061,752
Winnipeg ...	57,896,572	+1.5	46,741,208
Brandon	623,699	+20.4	545,294
Regina	7,106,970	+11.1	2,738,178
Moose Jaw ..	945,215	+29.6	809,884
Saskatoon ...	2,145,999	+15.7	2,047,278
Prince Albert	592,239	+8.7	564,163
Edmonton ..	6,630,889	+26.6	7,493,434
Calgary	7,757,228	+15.5	6,337,182
Lethbridge ..	703,834	+14.7	733,585
Medicine Hat	475,521	+2.1	405,494
N. W'minster	1,021,996	+4.7	1,226,136
Vancouver ..	37,544,303	+39.7	29,292,204
Victoria	2,240,926	+3.4	2,171,314

Maritime Telegraph & Telephone Co. reports 54,593 stations in operation at the end of August, the largest number in its history. The Island Telephone Co., a subsidiary, also set up a new record with 4,942 stations.

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FIRE, AUTOMOBILE, HEALTH & ACCIDENT INSURANCE
Application for Agencies Invited.

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LONDON, CANADA
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5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1941), $12,531,188

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The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

Automobile and General Casualty Insurance
Lumbermens
MUTUAL CASUALTY COMPANY
Agency Inquiries Invited
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"THE SAFETY-MINDED COMPANY"

PROTECTION FOR YOUR FAMILY
Northern Life
Assurance Company of Canada
Established 1897
Head Office • London, Ontario
SECURITY FOR YOURSELF

War and Disability Benefits

Coverage May Be Continued Under Certain Conditions

The increasing number and the widening range of the classes of people engaging in military service in Canada has drawn special attention to the effect this may have on total disability and double indemnity clauses in life insurance policies.

In all cases these clauses indicate that if the policyholder engages in military, naval or aeronautic service in time of war, the total disability and double indemnity benefits automatically cease.

Can Continue Benefits

But according to opinions gathered by The Financial Post, while the benefits automatically cease on enlistment, some firms allow the policyholder to apply for reinstatement of the clauses and have the benefits restored as long as he stays in Canada. It is understood this can be done in individual cases in all three services Army, Navy and Air Force. There are, however, certain provisions affecting each. These vary according to individual company practice it is understood. But among those companies that allow reinstatement, the general procedure seems to be as follows:

In the army the benefits can be continued by agreement, it is understood, so long as the insured remains in Canada.

In the navy the same thing holds good. The reinstatement it is understood, will be good as long as the policyholder is inside Canada or inside the three mile limit.

In the air force the benefit can also be continued as long as the policyholder remains in Canada even if he flies. But the benefit does not apply in cases where injury or death may be due to flying hazards. Thus, the airman, it is understood, would be protected against disability due to some cause not connected with flying.

In the army, men called up for military service in Canada, those in the reserve army on duty in Canada, etc., can have their disability benefits continued by agreement with the company.

It is advisable, however, for policyholders in any of the services to take the matter up with the insurance company and have the whole matter adjusted properly if company practice permits.

So long as the individual remains a civilian his benefits remain in force subject to such restrictions as the disability and total indemnity clause may contain as regards air travel, aeronautics, etc.

In cases where a person with a policy containing the extra benefit goes abroad and the extra coverages are cancelled, the extra premiums are not collected.

Some difficulty has been encountered as to what was meant by the expression "war service." In the present war there have been so many types of war service, the interpretation became difficult, and company practices varied somewhat.

Among companies allowing reinstatement the basis seems to be that in cases where the risk did not seem increased greatly by the performance of military duties, the coverage be continued on application by the policyholder.

When new agreements are effected, the companies usually provide for a return of premiums, if the benefit is discontinued, if the original clause in the policy does not make such provision. Companies also have added a clause to any new agreements that receipt of any premium or a delay in making a refund shall not prejudice the company, nor be construed as an acceptance of liability.

Total disability and double indemnity insurance are still available for purely civilian occupations on much the same conditions as formerly.

Disability Benefit

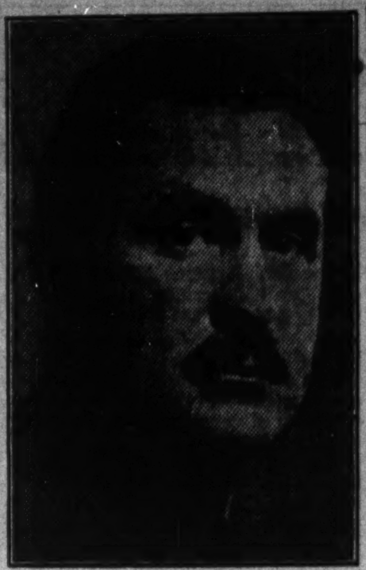
The disability benefits vary considerably among different companies. In general there are two classes of benefit available.

The first provides that in event of the insured becoming totally and permanently disabled, the company will waive the premium, keeping the policy in force at its face value until it matures by death, or otherwise until the total disability disappears. This benefit is available from nearly all companies.

The second provides for a monthly income for the insured for stated periods. It can be purchased only from a limited number of companies. The benefits vary considerably.

One representative benefit provides a monthly income of $5 a month for whole life policies and $10 a month for endowment policies. In some cases the benefits are payable for a stated number of months when the face value of the policy is paid and the contract comes to an end.

Extra premium is charged for the total disability benefit just as in the case of double indemnity for accidental death.



NEW VICE-PRESIDENT

A. R. Duffield has been appointed vice-president of Wood, Gundy & Co. and will be in charge of that company's operations in Quebec and the Maritime Provinces. Mr. Duffield has been with Wood, Gundy & Co. since 1918, having been in charge of the Montreal office since 1932.

Convicted of Drunk Driving Motorist Awarded Damages

A decision in County Court at Toronto recently, in which an insurance company was held liable to an automobile driver for damages he did to his own car while intoxicated, has aroused considerable interest in insurance circles.

Circumstances of the case were these. The plaintiff driving his car ran into an electric light pole, damaging the car, he claimed, to the extent of $500. He claimed damages from the insurance company with which he had a policy insuring him against collision. The company refused to pay insurance on the ground the driver had been intoxicated. The driver admitted that as a result of the accident he had been sent to jail for seven days for drunk driving and his car impounded for three months.

Jury Rules

The jury in the case ruled the plaintiff had not been proved incapable of operating his car and awarded damages of $450.

Under the statutory conditions of the standard automobile insurance policy the insured is prohibited from using or driving the automobile "whilst under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of the proper control of the automobile."

Evidently the jury considered that in spite of the conviction for drunkenness the driver was not incapable of operating the car.

B. C. Labor Shortage Grows More Acute

Production of Logs Down About 20% Compared With Last Year Although Timber Urgently Needed; Camps Need Another 4,000 Men; Say Selective Service Lacks Compulsion

From Our Own Correspondent

VANCOUVER.—Shortage of labor in B.C. logging camps, the major problem of national selective service west of the Rockies, is growing even more acute.

Production of logs is still down about 20% from last year in spite of continued pressure from buying agencies in Canada, Britain and the United States. The logging industry, at present employing about 9,000 men, could easily absorb 4,000 more workers—3,000 in the woods and 1,000 in development work such as rail and truck road construction.

Because its production takes priority over all other classes of timber, Aero Timber Products, Ltd., the government company cutting aircraft spruce and hemlock, has been able to obtain more men by reason of its authority to break the wage ceiling and pay a bonus for all men working in the Queen Charlotte Islands spruce camps. But its operations represent only a small part of the whole industry, and nearly all the logging companies in the province are operating with depleted crews.

There are more than 800 logging camps in British Columbia, of which about 40 are operated by large organizations that account for most of the production in the lower west coast area that feeds raw material to the big tidewater sawmills on Vancouver Island and in the lower mainland. It is estimated that the 40 large companies could produce all the timber now being logged in British Columbia provided they had the men, but not only is every camp short of labor, but the available supply of men is spread so thinly that no camp is able to run with full efficiency.

To help relieve this situation operators of interior B. C. mills have suggested to the government that it permit some 4,000 Japanese evacuated from the coast districts to work in their camps, so as to relieve about 1,200 experienced loggers and sawmill hands for the bigger coast camps.

Last year at this time about 13,000 men were at work in the province's logging industry. Of that number about 1,000 have joined the fighting forces and 3,000 have drifted into other employment, mainly in the shipyards.

Logging operators say that the chief weakness of the national selective service is the lack of compulsion to keep men on the job.

Loggers still walk off the job job whenever they feel like it and there is no way of holding them or bringing them back until they feel so disposed. There is a tendency among some to space their "holidays" in such a way as to escape payment of income taxes. The result is that the logging industry is almost continuously short about 15% of its effective labor.

Investment Notes

Securities Holding Corp. made a number of changes in its portfolio in the year ended June 30, 1942. A summary of these changes follows:

Portfolio Changes

Deletions	Shares
Buffalo Ankerite	500
Candn. Dredge	400
Int. Metal Ind., 6% pref.	100
Little Long Lac	2,000
Mineral Estates	400
Union Bag & Paper	1,000
Dom. of Canada	$10,000
Additions	
Consol. Mining	200
Dom. Woollen, pref.	500
Hudson Bay Mining	200
Malartic Gold Fields	5,000
Preston East Dome	4,300

* * *

International Metal Industries has declared an extra of $5 a share toward liquidation of arrears on its 6% preference and preference series A stocks, payable, along with the regular quarterly dividend due at that time, on Nov. 1, 1942, to shareholders of record Oct. 15. This payment will reduce arrears on these stocks to $5 a share.

* * *

Interstate Royalty Corp. report that at the end of last month investments in oil royalties had a book value of $1,118,701. Gross income since acquisition to the end of August totalled $516,832 and the reserve for depletion $141,394. In August gross income from royalty and rentals was $1,054, while accumulated income from same source for 1942 amounted to $19,764.

OntarioFireAgents To Meet Oct. 22-23

Annual meeting of the Ontario Fire and Casualty Agents Association will be held in Toronto Oct. 22-23. One of the important subjects for discussion, it is understood, will be the new agency contract sent out by the Canadian Underwriters Association. R. L. Stailing, manager, Sun Insurance office, is expected to be present to discuss the matter. S. O. Mason, past president of the agents association, will discuss agents qualifications. Other speakers on the programme include:

J. F. PARRY, vice-president, American Surety Co., New York.

HARTLEY D. McNAIRN, superintendent of insurance for Ontario.

C. W. CASKIE, deputy fire marshal for Ontario.

T. E. CLENDINNEN, Ottawa.

REV. NORMAN RAWSON, Hamilton.

Actuaries To Meet In Toronto, Oct. 19

War problems affecting life insurance will be the chief subject at the joint meeting of the Actuarial Society of America and the American Institute of Actuaries in Toronto next week.

Topics on the programme include war clauses in life policies; wartime problems such as ratio of war claims to the total; company attitude toward employees in military service; underwriting experience; premium rates reserves and policy dividends; education of students.

Insurance Notes

I. Aspler has been named unit manager and C. E. Moreau branch group insurance supervisor of the Montreal-St. James branch of the Canada Life Assurance Co. The branch is under the management of V. R. F. Macdonald.

Mr. Aspler joined the Canada Life in 1938 as a representative in the Montreal branch, and for the past three years has been a member of the company's Century Club.

After 15 years home office and branch office experience Mr. Moreau entered the sales field four years ago in Montreal. He has consistently earned membership in the Century Club since that time.

* * *

Bruce Amos has been appointed personnel officer of the Great-West Life Assurance Co. He will have supervision of head office personnel and planning in addition to assuming charge of the departments handling employment, supplies and head office building. He had been with the company since 1917.

B. C. Railway Deal Still Uncertain

From Our Own Correspondent

VANCOUVER.—Unless a deal for the Pacific Great Eastern Railway develops earlier, the British Columbia Legislature will meet in January.

Premier John Hart is hopeful that something will be worked in the next two months, but indications from Washington are that the United States Government, which was expected to make a bid for the provincially owned road, is only lukewarm about the proposal at present.

If an offer is made, it seems more likely that it will come from private interests, possibly guaranteed by Washington. The chief obstacles seem to be shortage of steel and priority complications.

Although General Brehon Somervell, who conferred in Edmonton a few weeks ago with Premier Hart and other rail officials regarding the P. G. E., has gone on record as favoring a four-way communication system to Alaska—by air, sea, highway and railroad—the first three are already a reality and in view of the probable delay in getting construction under way, it is possibly considered that there is no great haste about getting the railroad connection.

Business interests here and in the Puget Sound region continue to be anxious lest the prevailing swing of traffic from the Middle West through Edmonton lead eventually to by-passing this part of the continent entirely in future trading with the north.

Winnipeg Institute Names Officers

Total membership of 136, active and associate, was reported at the annual meeting of the Insurance Institute of Winnipeg recently. Of 36 who wrote the examinations in 1942, 29 passed clear. Two of these who had completed the three year course will receive diplomas. They were William J. Miller of Oldfield, Kirby & Gardner (cum laude), and Arthur W. Morley, now with the Royal Canadian Air Force. There were no graduates in the fire branch.

Officers for the coming year were elected as follows:

HUGH P. HAM, British America Assurance Co., president.

N. C. WOODCOCK, Caledonia Insurance Co., vice-president.

G. E. BUDDEN, Western Canada Underwriters Association, secretary.

C. R. FRANCIS, Canadian Fire Insurance Co., treasurer.

D. BRUCE MURRAY, Pool Insurance Co., honorary president.

Members of Council

T. G. COX, Canadian Surety Co.; A. C. RUBY, Eagle Star Insurance Co.; ROBERT RANKIN, Phoenix Ins. of Hartford; GEORGE F. BURNE, London & Lancashire Insurance; J. VENABLES, Employers' Liability Assurance; B. MACKID, Continental Insurance Co.; D. A. STEVEN, Osler, Hammond and Nanton; A. G. MACKIE, Western Canada Insurance Underwriters was re-appointed honorary auditor and FRANCES R. PARKER, librarian.

The Wawanesa
Mutual Insurance Company
—Organized in 1896—
Admitted Assets .. $3,310,837.04
Surplus 1,735,148.47
Write for Financial Statement
Ask for Our Booklet "Farming Holds the Key"
Head Office: Wawanesa, Man.
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2,000 Agents Across Canada

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1817-1942
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
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Assets of £150 millions.
Over 870 branches in Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2. and 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

AGAIN POSTERS AID THE BIG PUSH ON THE HOME FRONT

"We've done it Before —
Invest and Protect
BONDS
DON'T FAIL THEM
VICTORY BONDS
BUY VICTORY BONDS
and we'll do it Again"

The sale of enough Victory Bonds to enough Canadians is a tremendous task — and once more Posters have been chosen to help put this big job over.

Today, more than ever, people are on the go . . . outdoors . . . riding, driving, walking — and

They Can't Escape Posters

Posters are BIG. Size dominates — gets attention.

Posters are FAST. Two seconds, and the impression's made.

Posters are FREQUENT. Repetition hammers the message home.

Posters are COLOURFUL. Brilliance strengthens the ad.

Posters are ECONOMICAL. They cost only a few cents per thousand circulation.

Posters are FLEXIBLE. Showings may be arranged where and when wanted.

For these reasons, Posters are again chosen to help give Canadians the essential facts of the Third Victory Loan.

POSTER ADVERTISING MEETS WAR-TIME NEEDS

POSTER ADVERTISING ASSOCIATION OF CANADA
80 RICHMOND ST. W. TORONTO

Pulp and Paper Looks to Future

Curtailment of Non-essential Industries Expected to Limit Supply of Pulp and Paper to Great Extent

By JOHN E. LANGDON

MONTREAL.—Further curtailment of operations faces the pulp and paper industry under the government's plan to contract non-essential industries.

The matter is now under consideration. How far the industry may have to go depends wholly upon the manpower situation.

Already the newsprint division of the industry has reduced its operations. The necessity of diverting power to the production of aluminum and other war materials has forced an automatic reduction in the supply of newsprint paper.

Short Newsprint Supply

On the present basis it is doubtful if the newsprint mills could operate at more than 65% of rated capacity. With no change in consumption, indications are that the supply will fall below demand during November and December. A shortage of somewhere between 20,000 and 30,000 tons is foreseen during the two months.

This situation is regarded as of little consequence by the manufacturers. The publishers have stocks running well over 600,000 tons—or 200,000 tons more than normal. A drawdown of 30,000 tons would not make for any major change in their position.

The contraction of non-essential industries is a different matter. The carrying out of this plan may go so far as to have a very strong bearing on the supply of paper available for Canadian and American publishers during the year ahead.

Early in the war the pulp and paper industry was classified as essential because of the important contribution of foreign exchange which it made to the Dominion treasury through export sales.

Following the Hyde Park agreement, the necessity of securing exchange, especially U. S. dollars, became less pressing and the industry dropped out of the essential class.

Some Phases Essential

Though pulp and paper manufacturing is not officially rated as essential, nevertheless there are certain phases of its activities which are very important to the war effort.

Pulp is needed for explosives and synthetic textile fibres. Insulating board is needed for shelters to meet the needs of the armed forces and the bombed out areas of Britain. Cartons are required for shipping. Newsprint is needed to maintain the democratic press of the world. Finer papers are essential to business, including the business of running a war.

Must Have Supply

It is impossible to do away completely with the manufacture of pulp and paper, no matter how great the demand for manpower in the armed forces or the wartime industries.

This condition, of course, is recognized. The problem, then, is to what degree the industry can co-operate in meeting the demands of the government for more manpower and materials.

The degree of contraction which the industry can make and still not impair the war effort is not readily ascertained. Since we cannot do without pulp and paper products entirely, it is believed in some quarters that newsprint and certain other paper supplies may be limited, voluntarily and otherwise.

Above British Level

There is little or no prospect, however, that the newsprint situation on this continent will get down to the level that it has in Britain and Australia, where consumption is limited to 25% of prewar demands.

The situation here is altogether different. Canada and the United States combined have an exportable surplus of paper. They have their own sources of raw materials and other supplies.

Therefore unless the manpower situation becomes far more critical than it is now or in prospect, it is hardly conceivable that the contraction of operations will bring down North American consumption of newsprint to anything like the level in Britain.

Further Limitation Seen

It is difficult to see at this stage how the supply of newsprint can be maintained during 1943 at 1942 levels.

A reduction in the scale of newsprint operations from 65% to 50% of capacity is within the realms of possibility. That would mean a Canadian production during 1943 of 2,150,000 tons.

As overseas shipments are down to what appears rockbottom, it may be assumed every effort will be made to hold shipments at the current level during 1943.

In order to do this the Canadian mills would have to apportion about 225,000 tons to their overseas market. Canadian requirements would rank next on the list—under 200,000 tons.

Less for U. S.

This would leave a little over 1.7 million tons available for the American publishing industry.

What does this mean to the U. S. publishers?

Last year apparent consumption of newsprint in the United States was 3.9 million tons. This was above average and compared with 3.7 million tons the year before.

This year the apparent consumption in the States is likely to run around 3.7 millions.

Smaller Canadian Tonnage

If this rate of consumption holds during 1943, and there is no letdown in imports from Newfoundland or in domestic production, American publishers can count on getting about 200,000 tons from the former source and a million tons from the latter. This would leave a deficit of 2.5 million tons to be made up by imports from Canada.

However, if Canadian mills limit their production to 50% next year and distribute 425,000 tons to domestic and overseas markets, they will have around 1.7 million tons available for the American trade.

This would leave American publishers short nearly 800,000 tons of meeting their requirements on the basis of the present rate of consumption.

Against this apparent deficit of 800,000 tons, the mills and publishers have stocks on hand at present of just over 900,000 tons.

Thus in theory the U. S. publishers could continue using as much paper in 1943 as they are in prospect of using this year, even if the Canadian mills reduced their operations to 50% of capacity.

After that, it would be a different story. A deficit of 800,000 tons against present consumption rate of 3.7 million tons, means the U. S. publishers would have to curtail their use of newsprint paper by nearly 22%. Even at that they would be in a much better position than the publishers in Britain or Australia.

U. S. Moves to Curb Paper Production

W. P. B. Expected to Issue Order Limiting Use of Pulp for Paper

From Our Own Correspondent

MONTREAL. — Curtailment of production of paper from woodpulp is involved in an order which the U. S. War Production Board is expected to release shortly.

Reasons for the expected cut in paper output are (1) the lumber shortage, officially estimated at 6 billion feet; (2) the manpower shortage; (3) a tight transportation situation, and (4) limited power supply.

Most timber used in the pulp industry would be unsuitable for lumber and the controlling factor is manpower. The scarce labor supply could be diverted from cutting down pulp trees to felling timber for lumber.

Use of electric power is another problem involved, particularly in New England and the Puget Sound areas, where the power is needed for other war production.

Quebec Pulp Plan Still in Talk Stage

From Our Own Correspondent

MONTREAL.—Comparatively sharp advance in the price of Quebec Pulp & Paper preferred stock—11 to 16½—does not indicate completion of the plan to wind up the company. The government still is negotiating with interests controlling the common stock, Price Bros. & Co. and Consolidated Paper Corp.

During the latter part of August the preferred shareholders' committee received a request from the company, backed by the provincial government, to defer winding up proceedings pending the outcome of negotiations between the provincial government, the two common shareholders and the Aluminum Co.

Australia Cuts Newsprint Use

Further 15% Reduction On Nov. 1 — Hold 16 Months' Supply

From Our Own Correspondent

MONTREAL. — Cable advices from Canberra state that Australian Prime Minister John Curtin announced a further cut of 15% in newsprint consumption to become effective November 1.

Newsprint stocks have been pooled voluntarily. Australia has a 16-months' supply on hand.

Looked to Canada

Before the war a contract was entered into between Australian publishers and Canadian mills whereby it was agreed to supply the Australasian market with 175,000 tons annually. This corresponded with the then rate of consumption.

Since then shipments have been curtailed and in recent months very little newsprint has moved from Canada to Australia.

The situation has been somewhat lightened by the fact that Australian publishers financed a Tasmanian newsprint venture which currently is providing about 20,000 tons of paper a year.

B. C. Pulp & Paper accumulated arrears of interest on the company's general mortgage bonds fall due on Nov. 1. Approximately $1 million is owing and in view of the company's working capital position, it is not expected the payment will be made. It is possible some scheme of arrangement will be offered to the bondholders before then.

Newsprint Supply Vulnerable To Order on Non-essentials

From Our Own Correspondent

MONTREAL. — Curbing operations of non-essential industries to release more manpower and materials for the war effort, is a matter of definite interest to users of Canadian newsprint paper. This form of industrial activity is one of the largest in the Dominion and it is to be expected the operators will be asked to limit production.

Just how far they will have to go is a matter which cannot be determined with any degree of accuracy at this stage. However it is of interest to project an arbitrary rate of reduction in scale of operations against current scale of deliveries. At present Canada is providing 3,125,000 tons of paper to Canadian, American and overseas publishers. If the present rate of operations continues throughout 1942, Canadian mills will not be able to maintain those shipments. There is no reason to expect a rise in output. Rather is the reverse expected.

Just what this may mean to publishers dependent in whole or in part on Canadian mills for their paper supply is set out in the following table:

(Returns in short tons)

	Present scale annual deliveries	Proportionate share of deliveries with mills operating at varying rates of capacity				
		65%	60%	55%	50%	45%
Canada	200,000	183,040	168,960	154,880	140,800	126,720
Overseas	225,000	205,920	190,080	174,240	158,400	142,560
United States	2,700,000	2,471,040	2,280,960	2,090,880	1,900,800	1,710,720
Total	3,125,000	2,860,000	2,640,000	2,420,000	2,200,000	1,980,000

Paper Lull Deceiving

Signs May Point to "Storm" In Offing

From Our Own Correspondent

MONTREAL.—Appearances to the contrary, the present lull in the paper industry may only be the proverbial one which precedes the storm, says Howard Smith Paper Mills Ltd.

In the first place, the company says in surveying the immediate outlook, orders and restrictions appear to be following one another at an increasing rate. This, it is added, is a natural corollary to the attempt to prevent supplies and prices from finding their own level.

Keep on Watch

Frequent mention has recently been made of the necessity of directing more manpower, electrical power and materials into war channels. As these are universally used by all businesses either directly or indirectly, any curtailment of them is due to affect all businesses. These are the main signs, says Howard Smith Paper, and "we would do well to keep an eye on them."

Enlarging upon these points, the company says the power situation becomes more acute each shortening day, and "undoubtedly the fine paper industry will be asked to give up some of their purchased power which will curtail their present output.

"Then, too, manpower in the woods, already in short supply, is likely to be aggravated still more by switching the workers from pulpwood to timber logging.

"Both of these factors herald a reduction in the volume of fine paper available to printers and their customers. And because the need is urgent, we can expect whatever actions are necessary to occur sooner rather than later—that is, well before the end of this year. However, the full effects will not be noticed at first because considerable stocks are available, sufficient to take care of most, if not all, of today's commitments. But all of us should plan now how we will operate on a curtailed volume of business."

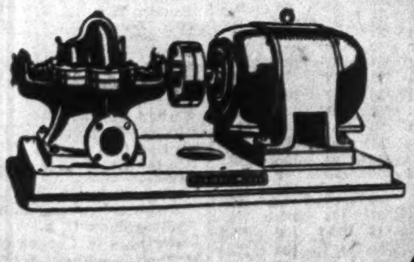
Curb to Industry

Other factors affecting the fine paper industry also are sure to be felt. It is pointed out that the Wartime Prices and Trade Board has been requested to eliminate non-essential business, and even to curtail essential ones to the minimum requirements.

"Now all of these businesses are users of printing and paper to some extent and, as they pass out of the picture, the total volume will be reduced because other kinds of businesses are not going to be allowed to take their place.

"If we appear to paint a black picture it is only so because it is in contrast with the rosy hue reflected by the many who have learned that the shortage of 1941 in reality turned out to be a simple case of over-demand and protective forward buying. Actually there will still be plenty of printing done, indeed there must be, because printing is absolutely essential to every kind of industry as long as that industry operates."

F-M PUMPS



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Our engineers will gladly discuss your pumping problems without obligation. 154

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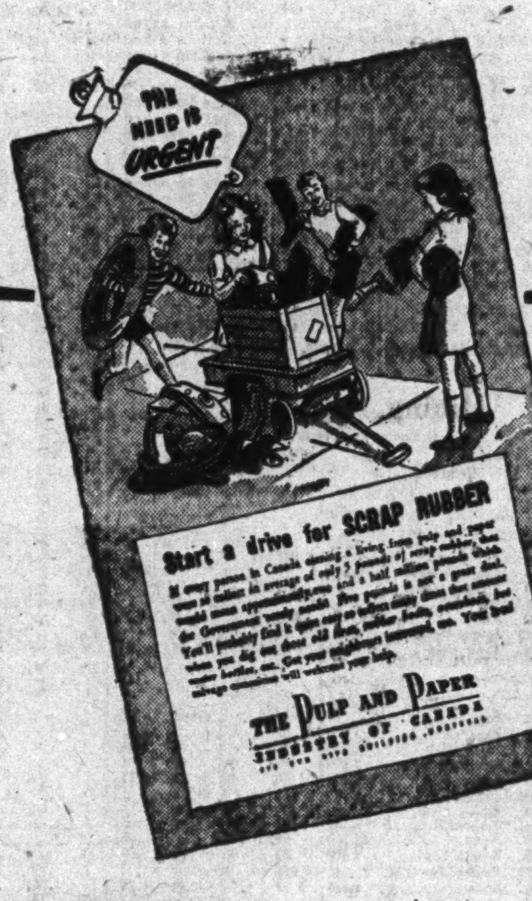
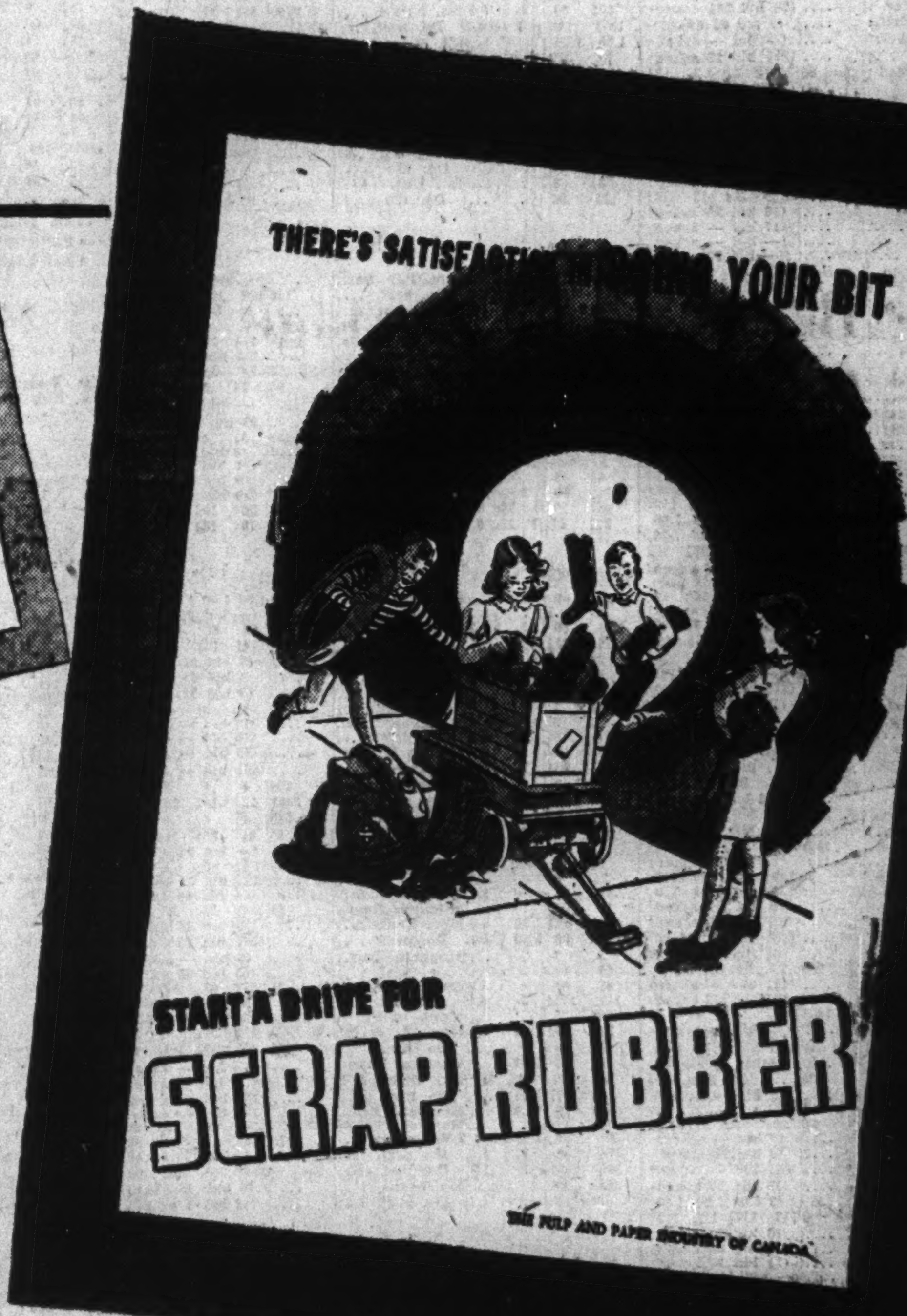

THE NEED IS URGENT
Start a drive for SCRAP RUBBER
THE PULP AND PAPER INDUSTRY OF CANADA

From this ↑ Advertisement

This is part of a campaign sponsored by the Pulp and Paper Industry in mill towns. The purpose is to impress householders with the urgency of conservation and to demonstrate how simple it is "to do your bit".



THIS → POSTER for your bulletin board

To extend the effect of the campaign, the advertisements have been adapted as posters in two colours measuring 10" x 13½". They are printed in both French and English and, while originally intended for mill bulletin boards, are now available to any organization in Canada which can profitably use them.

If you would like to put these messages before your employees, we shall be glad to supply you with copies. They are yours for the asking. Simply write telling us how many you need.

THE PULP AND PAPER INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 12

Range 1942 High	Low	Div R'te $	Oct10 Y'ld %		Sales	Last Oct. 5	Week end. Oct. 12 H	L	Cl'se
				A					
.75	.40	.	...	Abitibi	250	.55	.55	.55	.55
7	3½	.	...	Do. pref. 6%	245	4½	5	4½	5
25	13	.	...	Do. pref. 7%	....	(8 bid	13½ asked)		
3	3	.	...	Acme Glove	....	(3 bid	3½ asked)		
60	48½	6.50	12.4	Do. pref.	....	(— bid	60 asked)		
13	11	80+20c	10	Agnew Surp.	....	(11 bid	— asked)		
110	106½	7	6.5	Do. pref.	....	(109 bid	— asked)		
.95	.75	.	...	Alta. Pac. Gr.	....	(.50 bid	.80 asked)		
30	21½	.	...	Do. pref.	96	28	30	28	29
9½	8	.	...	Algoma Steel	670	8½	8½	8	8
84	80	5	6.2	Do. pref.	45	81½	80	80	80
100	80	8+2	12.4	Aluminium	930	80	83½	80	83½
118	111½	6	5.4	Do. pref.	....	(112 bid	— asked)		
7½	6	50c	...	Amal. Electric	....	(6 bid	— asked)		
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid	— asked)		
43	40	2.75	6.5	Ang. Can. Tel. p	....	(41 bid	44 asked)		
20	16	80+40c	6	Asbestos	310	19	20	19½	19½
16½	13½	1.75	12.3	Assoc. Brew.	50	14½	14½	14½	14½
112	109½	7	6.2	Do. pref.	....	(111 bid	— asked)		
†1	1	.	...	Assoc. T. & T.A.	....	(— bid	— asked)		
†24	24	.	...	Do. pref.	....	(— bid	— asked)		
102½	102	6.50	5.4	Ault & Wiborg	....	(102 bid	— asked)		
				B					
150	115	6	5.1	Bk. Can. Nat.	5	116	117	117	117
160	134½	6	4.5	Bk. Montreal	74	132	135	133½	135
275	222	10	4.8	Bk. N. Scotia	86	214	215	212	214
255	212	10	4.7	Bk. Toronto	....	(208 bid	216 asked)		
8½	8½	47½c	..	Barber Ellis	....	(6 bid	— asked)		
e5	4½	.	...	Barcelona	....	(— bid	— asked)		
1.25	.50	.	...	Barker's Bread	....	(.50 bid	1.00 asked)		
18	12		...	Do. pref.	....	(16 bid	— asked)		
14½	10½	1+50c	12½	Bathurst Pr.	385	12½	12½	11½	12½
2.25	1.00		...	Do. (B)	64	1.50	1.50	1.25	1.25
8	5	50c	...	Beath & Sons	....	(4½ bid	7 asked)		
8½	6½	.	...	Beatty Bros.	50	8	8½	8½	8½
110½	102	6	5.4	Do. pref.	16	110	110½	110½	110½
100	76	7	7	Do. 2nd pref.	....	(105 bid	— asked)		
92	9½	.	...	Beauharnois	3	9½	9½	9½	9½
81	81	4+2	7.4	Belding Corti	....	(80 bid	— asked)		
124	115	7	6	Do. pref.	....	(116 bid	— asked)		
150½	128	8	6.1	Bell Telephone	572	133	133	130	132

Range 1942 High	Low	Div R'te $	Oct10 Y'ld %		Sales	Last Oct. 5	Week end. Oct. 12 H	L	Cl'se
				F, G					
3½	1½	25c	...	Fairchild Air.	405	3½	3½	3	3
19½	15	1	6.7	Fam. Players	25	15	16	16	16
22½	15	1.50+25c	10	Fanny Farm.	260	18½	18	17½	17½
3½	2½	.	...	Fleet Aircraft	445	3½	3½	3	3
.20	.20	.	...	Fleury Bissell	....	(.20 bid	.50 asked)		
10	10	.	...	Do. pref.	....	(10 bid	14 asked)		
20½	14½	1	5	Ford Motor A.	2667	20	20½	19½	19½
19½	14½	1	5.1	Do. (B)	....	(19½ bid	— asked)		
.15	.15	.	...	For. Pr. Secs.	....	(— bid	.25 asked)		
16½	12	‡1.20+30c		Foundation Co.	35	14½	13	13	13
13	7	.	...	Fraser Cos.	....	(9½ bid	10 asked)		
13½	7½	.	...	Do. Vot. Tr.	265	9½	10½	9	10½
.50	.50	.	...	Freiman	....	(.50 bid	— asked)		
55	55	1.50	...	Do. pref.	....	(55 bid	— asked)		
6½	4½	60c	9.2	Gatineau Pwr.	622	6½	6½	6	6½
77½	61½	5	6.9	Do. pref.	85	72½	72½	71	72
80	70	5.50	7.3	Do. 5½% pref.	26	72	75½	74	74
.15	.10	.	...	Do. Rights	10	.15	.10	.10	.10
6½	5	30c	...	Gen. St. Wares	210	5½	6½	6	6
92	83	7+53c	9	Do. pref.	135	83	85	84½	84½
60	31½	2.50+2.50		Goodyear Tire	40	53	53	52	52
50	39	2.50	5	Do. pref.	119	50	50½	49½	50½
†67	67	‡4	...	Gould Pumps	....	(— bid	— asked)		
4	2½	.	...	Gt. Lakes Paper	....	(1 bid	9 asked)		
†16	16	‡75c	...	Do. pref.	....	(5 bid	20 asked)		
2½	1	.	...	Do. Vot. tr. c.	....	(1½ bid	1½ asked)		
16½	11	‡75c	...	Do. Vot. tr. p	9	11½	11	11	11
4½	3½	.	...	Gt. W. Saddlery	....	(— bid	4 asked)		
28	24	3	...	Do. pref.	....	(21 bid	25 asked)		
11½	10	60c	5.8	Greening Wire	....	(8½ bid	10½ asked)		
4	2	.	...	Gurd, Chas.	10	3½	4	4	4
70	70	.	...	Do. pref.	....	(— bid	— asked)		
3½	2½	.	...	Gypsum, Lime	585	3	3½	3	3
				H, I					
14½	14½	1	...	Halifax Fire	....	(— bid	14½ asked)		
3½	2	.	...	Ham. Bridge	50	3½	3½	3½	3½
36	28	2	6.2	Ham. Cot., pf.	....	(30½ bid	— asked)		
1.50	.65	.	...	Ham. U. Theat.	....	(.65 bid	1.40 asked)		
76½	73	5	6.5	Do. pref.	....	(70 bid	90 asked)		
3½	2½	20+10c		Harding Carpet	270	3½	3	3	3
..	..		...	Hillcrest Coll.	....	(.20 bid	.90 asked)		
14	9½	‡75c	..	Hinde & Dauch	89	12	12	11½	11½
5	5	.	...	Holt Renfrew	....	(— bid	— asked)		
65	64	.	...	Do. pref.	....	(40 bid	61 asked)		

Range 1942 High	Low	Div R'te $	Oct10 Y'ld %		Sales	Last Oct. 5	Week end. Oct. 12 H	L	Cl'se
10	7	60+15c	9	Simon & Sons	10	8½	8½	8½	8½
105	103	7	6.8	Do. pref.	100	103	103	103	103
7½	3½	.	...	Simpson, A.	....	(5 bid	6 asked)		
2½	1	.	...	Do. (B)	2	2	2	2	2
89	65	6.50	8.6	Do. pref.	90	76	75½	75	75
†135	132	6	...	Simpson, R., pf.	....	(132 bid	— asked)		
10½	8½	80c	8.6	So. Can. Pr.	25	9½	9½	9½	9½
103½	99½	6	5.9	Do. pref.	20	102	102	102	102
2.00	.95	.	...	St. Law. Corp.	1550	1.10	1.40	1.00	1.35
15½	8½	1	10.5	Do. (A)	1270	9½	9½	9½	9½
25	22	1.40+50c	9	St. Law. Flour	....	(20 bid	— asked)		
122	115	7	6.1	Do. pref.	2	115	115	115	115
43	24½	3	11.2	St. Law. Pap. p	....	(26½ bid	— asked)		
11	9	1.25	...	Stand. Chem.	....	(9½ bid	11 asked)		
2	1	.	...	Stand. Clay	....	(2 bid	5 asked)		
.55	.35	.	...	St. Pav. & Mat.	....	(.45 bid	— asked)		
5½	4	31½c	...	Do. pref.	....	(— bid	5½ asked)		
4	3	40c	...	Stand. Radio	410	3½	3½	3½	3½

Range 1942 High	Low	Div R'te $	Oct10 Y'ld %		Sales	Last Oct. 5	Week end. Oct. 12 H	L	Cl'se
51	44	3+2	10.9	West Grocers	....	(46½ bid	50 asked)		
111	109	7	6.3	Do. pref.	....	(110 bid	120 asked)		
‡15½	11½	50c	...	W'minster Pap.	....	(— bid	— asked)		
11½	9½	80c	7.8	Weston, George	380	10½	10½	10	10
94½	90	5	5.4	Do. pref.	....	(90 bid	92 asked)		
16½	14½	1	6.7	Wilsils	....	(14½ bid	— asked)		
3.50	.65	.	...	Winnipeg El. A	2479	2.00	3.00	2.00	2.00
3.25	.60	.	...	Do. (B)	1115	2.00	3.25	2.12	3.25
21	5½	.	...	Do. pref.	230	18	21	18	21
80	67	7	10.4	Wood, A & J, p	....	(67 bid	70 asked)		
60	55		...	Woods Mfg. pf.	....	(— bid	68 asked)		
5	3½	40c	...	York Knitting	....	(3½ bid	4½ asked)		
•100	100	7	...	Do. 1st pref.	....	(— bid	— asked)		
12	10½	80c	7.3	Zellers	55	11	11	10½	10½
25	24	1.50	6.2	Do. pref.	....	(24 bid	24½ asked)		

Quotations: †1941. ‡1940. •1939. *1938.

▲ On account of arrears.

■ Participating. ‡ Paid in 1941. ↓ Paid in 1942 to date.

* Net after corporate income tax paid in 1942 to date.

Mining Stocks

Week Ending October 12

Par Val.	Range 1942 High	Low	Company	Sales	Close Oct. 5 (or last)	High for week	Low for week	Close Oct. 12
			A					
No	.16½	.05	Aldermac	2,700	.07½	.09	.07½	.09
1	.00½	.00½	Amm. Gold	......	(.00½ bid	.00½ asked)		
No	2.55	1.78	Anglo-Huronian	100	2.10	2.00	2.00	2.00
No	.25	.20	Argus Interests	......	(.26 bid	.30 asked)		
No	•.01	.01	Arno	......	(.... bid	.01½ asked)		
1	.04½	.02	Ashley	......	(.02½ bid	.... asked)		
1	.02	.01½	Astoria Quebec	......	(.... bid	.02 asked)		
1	1.47	.78	Aunor Gold	8,025	1.04	1.03	.78	.88
			B					
1	.06	.02	Bagamac	......	(.03 bid	.... asked)		
1	.05½	.02	Bankfield	2,000	.02	.02½	.02½	.02½
No	.09½	.05	Base Metals	7,500	.07½	.07½	.06	.06½
1	.06½	.02½	Bear Exploration	3,000	.04½	.04	.04	.04
1	.94	.50	Beattie Gold	7,000	.60	.60	.50	.51

Par Val.	Range 1942 High	Low	Company	Sales	Close Oct. 5 (or last)	High for week	Low for week	Close Oct. 12
			N, O					
1	.32	.06½	Naybob	7,500	.09	.08½	.08½	.07
1	.50	.20	Negus Mines	520	.30	.25	.30	.25
5	1.01	.75	Nipissing	600	.91	.93	.91	.91
No	52.00	41.00	Noranda	801	44.00	44.00	42.50	42.50
No	.25	.14	Nor. Canada	1,000	.16	.15½	.15	.15
1	.04	.02½	Norgold	......	(.02½ bid	.04 asked)		
No	.90	.48	Normetal	3,700	.73	.73	.70	.70
1	2.00	1.00	Northern Empire	......	(.... bid	.... asked)		
1	.91	.34	O'Brien	7,225	.47	.45	.34	.40
1	.10	.05	Omega	2,400	.06	.06	.05	.05
1	.16	.06½	Ontario Nickel	91,000	.14	.14½	.12	.13½
1	.06	.02	Osisko	......	(.02 bid	.... asked)		
			P, Q, R					
No	.90	.30	Pamour	1,300	.36	.33	.30	.30
1	.04	.01½	Pandora	......	(.01½ bid	.03½ asked)		
1	.02	.01	Partanen Mal.	4,000	.01½	.01½	.01	.01

Par Val.	Range 1942 High	Low	Company	Sales	Close Oct. 5 (or last)	High for week	Low for week	Close Oct. 12
No	.01½	.01	Marjon Oil	......	(.01 bid	.01½ asked)		
No	.04½	.02½	McD. Segur Ex.	2,000	.03½	.03½	.03½	.03½
No	.05½	.03½	Mercury	1,000	.04½	.04	.04	.04
No	.07	.03½	Mill City Pete	......	(.05 bid	.06½ asked)		
1	.20	.13	Model	400	.13	.13	.13	.13
25c.	.04½	.02	National Pete	......	(.04 bid	.... asked)		
1	.03	.02	Nordon	......	(.03 bid	.... asked)		
No	.40	.20	Okalta	100	.22	.20	.20	.20
No	.04	.03	Pacalta Oil	......	(.03½ bid	.03½ asked)		
1	.26	.14	Pacific Petroleums	......	(.19 bid	.25 asked)		
No	.05½	.02½	Royal Canadian	7,000	.03	.03	.03	.03
No	†.10½	.06	Royal Crest	......	(.... bid	.... asked)		
No	18.63	16.00	Royalite	12	18.50	18.00	18.00	18.00
No	.05	.03	South End	......	(.... bid	.... asked)		
No	.20	.15	Southwest Pete	......	(.... bid	.20 asked)		
1	.05	.01	Spooner	......	(.03 Aug. 25)			
5c.	.09½	.06	Sunset Oil	......	(.07 bid	.10 asked)		
No	.04½	.03	United	......	(.06 bid	.... asked)		
No	.05	.04	Vanalta	......	(.04½ bid	.... asked)		
.	.20	.12	Vulcan	......	(.13 bid	.... asked)		

*Quotations for 1941; † 1940.

Winnipeg Stocks

(Transactions from Oct. 5 to Oct. 10)

	Sales	High for period	Low for period	Close Oct. 10
Forty Four	1,000	.07½	.07½	.07½
United Grain Growers	12	10.75	10.75	10.75
Western Steel Pred.	35	7.35	7.35	7.35
Winnipeg River Tin	6,000	.00½	.00½	.00½

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, c	2½	5	Grouped Inc.	..	4½
Beav. Lumber, p	100	..	Home Invest.	30	..
Can. Indemnity	150	..	Nor. C. Mtg. un.	5½	..
Cres Cream., p.	19	..	Nor. Mtge.	.75	..
Dom. Envel., c.	..	7½	Nor. Trusts	6	..
Dom. Env. pfd.	..	92	Traders Bldg.	44	..
Fed. Grain, c.	..	1¼	West. Brew.	1½	4
Fed. Grain, pf.	..	30	West. Grain, p.	..	7

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Oct. 13	7,400	15,800	132,000	......
Oct. 12	Holiday			
Oct. 10	5,800	9,300	109,000	16,080
Oct. 9	13,200	27,980	278,000	12,010
Oct. 8	9,200	12,100	220,000	11,985
Oct. 7	8,100	22,300	202,000	7,130

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Oct. 14, 1942

%	Due	Bid	Ask.	Approx. Yld.
Dominion of Canada Bonds				
3	Oct. '42	100	100½	...
2½	June '43	100½	101½	.61
5	Oct. '43	103½	104	1.13
2	June '44	100½	101½	1.30
1½	Sept. '44	99½	100½	1.42
2½	Jan. '44	100½	100½‡	b.75
4½	Oct. '44	105½	106	1.50
2½	Nov. '44	101½	102½	1.42
a2½	Aug. '45	100½	‡100½	b1.80
4	Oct. '45	102½	102½	b1.33
2	Mar. '45	100½	101½	1.52
2	Dec. '46	99½	99½	2.03
4½	Feb. '46	108	108½	1.86
2½	Mar. '48	99½	99½	2.30
3½	June '49	102½	103½	b2.25
3½	Oct. '49	102½	102½	b2.12
3½	Nov. '51	101½	102	b2.89
3½	Feb. '52	102½	102½	‡2.88
a5	May '52	101½	102	b
4	Oct. '52	105½	106½	b2.62
a3	June '51	100½	100½	3.00
3	Oct. '52	99½	100	3.00
3	June '55	99½	99½	3.01
4½	Nov. '56	106½	107	b2.71
a3	Mar. '54	99½	100	3.07
4½	Nov. '57	107½	107½	b2.85
3	June '58	99½	99½	3.02
4½	Nov. '58	107½	108½	b2.96
4½	Nov. '59	108½	109½	b3.00
a4	Oct. '60	106½	‡107½	b2.98
a3½	Jan. '61	101½	102½‡	3.05
3½	June '66	101	101½	b3.12
a3e	Jan. '67	97½	98½‡	3.09
a3e	Nov. '68	97½	98½‡	3.09
†3	Perpet'l.	94	94½	3.17
Dominion Guarant'd Bonds				
Can. Natl. Railways:				
2	Feb. '43	100½	100½	...
2½	Jan. '46	100½	101½	1.86
3	May '44	102	102½	1.40
3	Dec. '50	99½	100½	2.84
3	Jan. '59	99	99½	3.02
*4½	Sept. '51	117½	118½	2.20
*4½	Feb. '56	119	120½	2.68
4½	July '57	119½	120½	2.82
3	Feb. '53	99½	99½	3.03
4½	June '55	120½	122	2.73
5	Feb. '54	117½	118½	3.13
*5e	July '69	118½	119½	...
*5e	Oct. '69	122½	123½	b2.04
*5e	Feb. '70	122½	123½	b2.20
Can. Nat. W. Ind. S. S.:				
*5	Mar. '55	122½	123½	2.74
Grand Trunk Pacific Rly.:				
3	Jan. '62	102	103	2.82
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	94½	96½	3.45
3½	Aug. '49	96	98	3.57
3½	June '56	96	98	3.68
c4	Nov. '47	109	111	b.41
c4½	Apr. '61	110	113	3.53
c5	Jan. '60	112	114	3.89
Nova Scotia:				
3	Jan. '52	98	99½	3.06
3½	June '56	99½	100½	3.20
3½	Nov. '50	101	102	3.22
c4½	Sept. '52	112½	113½	b1.63
c4½	Nov. '60	115	117	3.25
c5	Mar. '60	120	122	3.33
Ontario:				
2½	May '45	100	101	2.11
3	Apr. '48	100	101	b2.71
3	Nov. '50	99	100	b3.00
3½	Nov. '51	100½	101½	b3.05
3½	May '55	100½	101½	b3.10
*4	June '62	115	117	2.88
4½	June '50	108½	110	3.04
*4½	Jan. '62	119	121	3.06
5	Oct. '48	109½	111	3.05
*5	Dec. '60	125	127	3.04
5½	July '46	108	109½	2.88
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b3.06
3½	Apr. '47	102½	104	2.63
Prince Edward Island:				
4	Mar. '54	102	104	3.57
Quebec:				
3	Nov. '47	98½	99½	3.05
3½	Mar. '48	99½	100½	3.20
3½	Mar. '59	98½	99½	3.53
4	Nov '52	102½	103½	b3.50
3½	Feb. '55	100½	101½	b3.37
4½	Aug. '58	105½	107½	3.83
4½	Jan. '63	110	112	3.66
Alberta:				
4½	Oct. '56	75	77	d
4	Dec. '54	74	77	d
*5	Oct. '59	76	79	d
c5½	Apr. '52	77	80	d
6	Mar. '47	78	81	d
British Columbia:				
4	Dec. '57	103	...	...
*4½	Jan. '51	111	113	2.74
c4½	Oct. '53	111	113	3.10
c5	Apr. '54	114½	116½	3.27
5½	Feb. '45	104	105½	3.06
6	Feb. '47	109½	111½	3.23
Manitoba:				
c4	Dec. '57	100½	102	3.83
c4½	Dec. '56	104	106	3.93
*5	Dec. 59	107	109	4.25
5½	Oct. '55	110	112	4.28
6	Apr. '47	107	109	3.80
Saskatchewan:				
4	Sept. '54	83	85	5.75
4	Nov. '60	82	84	5.40
c4½	Oct. '51	92½	94½	5.27
c4½	Mar. '60	88½	91	5.30
5	Aug. '58	90	92	5.77
5½	Oct. '52	95	97	5.90
6	Mar. '52	98	100	6.00

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y.. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ↓-Calculated at 1950 average maturity. a-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Oct. 13, 1942

Industrial:	Bid	Ask.
Acme Farm., pf.	53½	..
Andian National	25	27
Anglo C. Tel. A.	7	7½
Atlas Steels, c.	21	23
Do., pre.	105	107
B. C. Pulp c.	9	10
Do., pfd.	62	65
B. C. Sugar	57	60
B. C. Tel. p.	102	..
Brown, com.	1	1½
Do., pfd.	19	22
Burns & Co., A.	5½	7
Do., B.	2½	3½
Can. Indust. A.	129	132
Can. Co-op Wool	8	9½
Can. Mach. c.	8	10
Can. Ing. Rand	61	65
Can. Mot. L.A.B.	6½	..
Cap. W. Cloth	5	..
Do., pref.	18	..
Chase, A. W., p.	18	20
Colonial Steam.	43	46
Corr. Pap. Box c	2	3
Do., rgts.	6	9
Dunlop T. p. $25	16½	18½
Easy Wash. p $10	9	11
Galt Brass. c.	10	12½
Goderich Elev.	7½	8
Guard. Realty, p	12½	15
Guelph Carp., c.	16	18
Gurney Fdry., p.	1½	1½
Hayes Steel, c.	13	14½
High. Dairy	..	2
Do., pref.	..	47
Inglis, John	5½	6½
Ingram & Bell p	88	..
Kingst. Ship., c.	10	..
Loblaw Inc. c.	11½	12½
Minn.&Ont.P. c.	3	3½
Mt. Royal H. c.	2½	3½
Moirs, pfd.	18½	21
Morrison Br. un	5½	6
M'row Screw, p.	100	104
Do., com.	14½	16
Neilson, Wm. p.	100	..
N. Meth. Ldy. p.	70	..
Ont. Tobacco, p.	18½	20
Prvo. Paper, pf.	96½	99
Quinte Milk	2½	3½
Stand. Fuel, p.	52	54
Do., com.	1	1½
Stedman, pf. $50	50	55
Sutton Horsley	1	1
Tor. Carpet, c.	66	..
Un. F. Co-op.	3	4
Un. Steel. A pf.	23½	24½
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
British Mtge.	116	124
Brockville Tr.	43	..
Cap. Trust	28	31
Comm. Fin., co.	5	7
Grey&Br.Tr. $50	43	..
Guaranty Trust	100	102
Guelph & O. $50	50	53
Indust. Mtge.	25	30
Lambton Loan	33½	..
Midland Loan	14	16
Premier Trust	23	26
Sherbrooke Tr.	120	..
Sterling Trust	50	53
Th. Can. Inv. Tr.	1½	1½
Traders Fin. A c	4	6½
Do., A pref.	47	50
Do., rgts.	8½	8½
Trusts & Guar.	28	31
Victoria Trust	66	70
Waterloo Trust	99	..
Insurance Stocks:		
Brit. Amer.	50	52
Canada Life	340	355
Canadian Fire	77	80
Confed. 30% pd.	127	133
Cons. Fire	3½	..
Continental L.	30	34
Crown Life	255	267
Dominion Fire	128	..
D. of Can. Gen.	118	125
Empire, 25% pd.	4½	5½
Excelsior 40% pd	70	73
Fed. Fire 25% pd	51	54
Great-West Life	212	225
Halifax Fire	14½	16
Imperial Life	255	270
Manufac. Life	214	222
Monarch Life	32½	35
National Life	7	9½
Sov. L. 25% pd.	10½	12
Sun Life	210	220
Tor. General	4½	5½
Wellington Fire.	58	..
Western Assce.	35	36½
Theatre Stocks:		
Allen's, St. Cath. units	52	55
Do., Kingston.	62½	65
Do., Toronto p	32½	35½
Mansf. Theat., p	31	34
Para. Kitch. p.	48	..
Do., Oshawa c	7	9
Investment Trust Shares:		
Inv. Found. un.	40	43
Sec's. Hold. pf.	18	20
United Corp., A	20½	22
Do., B.	4½	5½
Power Issues:		
Can. W. N. Gas	34	..
Do., pfd.	100	..
Gt. Lakes Pr., p	101	..
Int. Util. $1.75 p	8	..
Do., $3.50 p	25	30

Unlisted Mines

Toronto, October 13, 1942

	Bid	Ask
Albany R (old)	.01	.03
(new)	.05	.08
Amal Kirk	.04	.05½
Anoki	.01	.03
Aquarius	..	.12
Arjon	.02	.03
Armistice	.02½	.05
Argosy	.03	..
Area	.04	.06
Arntfield	.00½	.01
Barb Lard	.01	.01½
Brock	.02½	.04
Clift Con	.14	.16
Can Rad	..	.06
Cent Man	.01½	.03
Cheminis	.01½	.03
Columb	.21	.23
Cons Chib	.03	.06
Delpine	..	.03½
De Santis (new)	.02	.03
Dona Pat	.00½	.01½
Eastward	.06	.10
Elmos	.03	.06
Franco	.15	.22
Goodrock	.48	.50
Hayes Cad	.01½	.01½
Hoyle (new)	.04½	.05½
Hugh P P	.02	.03
Kirk Town	.03	.05
Lacoma	.00½	.01
Laguerre	.02	.05
Lk Geneva	..	.08
Low Pete	.10	.15
Magnet C	.16	.20
Magnet L	.06	..
Martin B	.02	.03
Mat Can	.02	.04
Mat Cons	.07	.11
McMarm	.06	.10
Moffat H	.01	.02
Mosher	.04½	.06
McManus	.00½	.01½
Nat Mal	.10	.12
Nick Off	1.00	1.25
Norbeau	.15	.17
N Ribago	.00½	.00½
Oklend	.02½	.04
O'Lea Mal	.02	.03
Opemiska	.06	.07
Orpit	.01½	.02½
Pascalis	.07	.10
Pontiac R (old)	.03	.05
Prop'ary	3.00	3.35
Presdor	.01½	.02
Que Man	.23	.25
Rand Mal	.08	.10
Ritoria	.01	.02
S.A.G.A.	..	.25
Sheldon	.04	.06
Springer	.10	.12
Stadacona	..	.07
Tombill	.10	.12
Tomah'k	.57	.62
Thoms Lk	.07	.08½
Union Min	.01	.03
Wesley	.00½	.01½
Young D	.16	.18

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

October 13, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 13	Ask.	Bid Oct. 6
▲Alg. Cen. H.B.R.	5	'59	22	24	22
†Assoc. Tel. & T.	5½	'55	74	77	72½
B. C. Power	4½	'60	98	100½	98
B. C. Tel.	4½	'61	105½	107½	105½
†Calgary Pwr.	5	'60	109½	111½	110
Do.	5	'64	105	107	105½
†Can. Nor. Pwr.	5	'53	97	100	97½
*Dom. Gas & El.	6½	'45	106	108½	106
Gatineau Pwr.	5	'49	100	102	100
•Do., A	3½	'69	101½	103½	101½
▲Do., B	3½	'69	98½	100½	98½
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	98½	101	98½
*Int. Hydro-El.	6	'44	42	45	41½
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102½	100
Macl'n-Que. Pr.	4	'59	100	102	100
Mtl. L. H. & Pr.	3½	'56	102	104	102
Do.	3½	'73	100	102	100
Do.	3½	'63	100½	102½	100½
†Mtl. Tramways	5	'51	101	103	101
†Do.	5	'55	81½	84½	81½
Nat. Lt. & Pwr.	6	'49	101½	104	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102½	104½	102½
Ottawa V. Pwr.	5	'59	101	103½	101
†Power Corp.	4½	'59	90½	93½	91½
Quebec Pwr.	4	'62	102½	105	102½
•Saguenay P.	4½	'66	107½	109½	107½
▲Do., B	4½	'66	104½	107½	105½
St. Maurice Pr.	4½	'70	104	106	104
Shaw, W. & Pr.	4	'61	104	106	104
Do.	4	'69	104	106	104
Union Gas	4½	'50	95½	98½	95½
•Twin C. R. Tr.	5½	'52	91½	94½	91½
†United Secs.	5½	'52	96½	99½	96½
‡Wpg. El. ser. A.	5	'65	84½	87½	84½
Do., B	5	'65	75½	78½	75½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	58	61	57
Do., C.O.D.	5	'53	56	59	55
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	93½	96½	93½
†Alta Pa. Grain.	6	'46	103½	106	103½
Algoma Steel	5	'48	103	106	103
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	80	84	80
‡†Do.	7	'50	105	108	104
•Brown Co.	5	'59	77	80	76½
Burns & Co.	5	'58	70½	73½	70½
Canada Cement	4½	'51	103½	105	102½
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	99½	102½	99½
Can. Steamship.	5	'57	102	104	102
Can. Canners	4	'51	101	103½	101
*Can. Int. Paper.	6	'49	105	107	105
‡Can. Locomotive	6	'53	93	96	93½
‡†Candn. Vickers	6	'47	93½	96½	93
C.P.R.	3½	'51	96½	98½	96½
Do.	4	'49	100	102	100
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	59	62	60
Dom. Coal	4½	'52	97	100	97
Dom. Scott. Inv.	4	'52	98	101	98
Dom. Stl. & Co.	6½	'55	102½	105	102½
Dom. Tar	4½	'51	103	105½	103
Dom. Woollens.	6	'53	98	100½	98
†Donnacona Pap.	4½	'56	76	79	76
*Dryden Pap.	6	'49	101	104	101
†East. Dairies	6	'49	69½	72½	69
Famous Players	4½	'51	101	103½	101
†Federal Grain	6	'49	103½	106	103½
†Fraser Cos.	6	'50	102½	105	102½
Galt Brass	5	'50	94	97	94
Gen. Stl. Wares	4½	'52	102	104	102
*Gt. L. Paper	5	'55	90½	93½	91
•Gurney Fdry.	5½	'49	80½	83½	80½
†Gypsum Lime	5½	'48	102½	105	102½
Ham. By-Pr. C.	5	'55	101	103½	101
Do.	6	'56	100	102½	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	101	103	101
Indust. Accept.	4	'52	82	85	82
Ins. Ex. Bldg.	3	'51	53	56	52
*Inter. P. Nfld.	5	'68	95	98	94½
*Inv. Bond & Sh.	5	'47	35	40	35
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	77½	80½	77½
Do.	5	'61	48	52	49
Legare	6	'61	88	91	88
Maple L. M.	3	'58	85½	88	85½
Man. Sugar	5	'60	102½	106	102½
Massey-Harris	4½	'54	97	100	97½
McColl-Fron.	4½	'49	98	100½	98
McCormicks	4	'52	97½	100½	97½
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	95	98	95
Mersey Paper	5	'57	92	95	92
†Do.	6	'49	92	95	91½
•M. & O. Paper	5	'60	95½	97½	95½
Moirs Ltd.	6	'53	72½	75½	73

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Oct. 13, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Lond. The pfd.	50	54	..
Brantford Roofing, c.	2½	3½	..
*Can. Gen. Rubber, pfd.	..	21	..
C.P.R., 4% p. (£ par)	2½	3½	..
Can. West. Lumb. c.	.15	.40	..
Cawthra Apts., pfd.	2½	3½	..
Century Finance, com.	..	.25	..
Claude Neon, 7% pfd.	.75	1.25	—½
Collingwood Term., pf.	1½	..	+½
Do., com.	1½	..	..
Colonial Realty com.	2	..	..
Comm. Life, 10% pd.	4½	6½	..
†Copeland Flour units	15	17	—½
Dairy Corp., pfd.	11½	13½	—½
Do., com.	.75	1.15	—.15
Dom. Alloy Steel, pfd.	.05	.15	..
Dom. Life, 70% pd.	179	205	+1
Dover Industries	6½	7½	..
Dubuisson Gold	.11	.12½	..
Eastern Steel, 5% pfd.	20	21½	—½
†Ft. Wm. Hotel, units	..	45	+1
Hart Battery, com.	4½	5½	..
Loew's London Th. pfd.	7½	8	—½
London & West. Trusts	30½	33	—1
Mont. Deb. Corp., pfd.	2	..	..
Murphy Paint, com.	7½	9	—½
Do., 5½% pref.	89	91	—½
Nat. Hosiery, com.	.85	1.15	—.05
Do., pfd.	.95	..	—.05
†N. Amer. Elev., 1st pfd.	88	..	+1
*Do., 2nd pfd.	27	..	—1
Do., com.	..	1	..
P. L. Robertson, old c.	302	..	—3
St. John Dry D., 5½% p.	95	99	—1
Supertest Pete., 6% pfd.	26½	27½	+½
Tip Top Tailors Inc., un.	9	10½	..
Viceroy Mfg., 6% pfd.	21½	23½	—½
Waterloo Mfg., new c.	.85	1.15	+.05
West. Can. Hydro, pfd.	11½	12½	..
Western Life 20% paid.	10	..	+1
Windsor Hotel, com.	2½	3	..

* Issue carries arrears.

† Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Oct. 13	Ask.	Bid Oct. 6
‡Mtrl. Drydocks.	6	'48	84½	87½	84½
Montreal Apts.	4	'54	47	50	47
Nat. Grocers	4	'47	101½	..	101½
N. S. Stl. Coal	3½	'63	81	84	81½
Price Bros.	5	'57	91	94	91
Do.	4	'57	71½	74½	70
*Prov. Paper	5½	'47	105	108	105
Reliance Grain.	4½	'52	98	101	98
†Restigouche Co.	6	'48	102	104½	102
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'48	75	80	75
Silv. Dairies	6	'66	96	99	94
Simpsons, Ltd.	4½	'51	100	102	100
Smith, Howard.	4½	'51	102	104	102
Stand. Lime	6	'44	98½	..	98½
Sterling Coal	6	'45	98	101	98
Stop Shop	3	'47	65	68	65
United Amuse.	5	'56	100	102½	100
United Corp.	5	'53	93½	96½	94
*United Gas	5½	'48	104	107	104
United Gr. Grs.	5	'48	100½	102½	100½
†Western Grain	6	'49	60½	63½	60½

*Payable in Can. or U.S.

†Payable in Can., U. S. or U. K.

•Payable in U. S.

▲Payable in Canada only.

‡Traded without accrued interest.

♦Payable in Can. or U. K.

Municipal Bonds

Oct. 13, 1942

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	115.00	117.00	3.74
Hamilton	5	1950	111.00	114.00	2.95
Montreal	5	1945	95.00	98.00	*
Ottawa	4½	1945	104.00	105.50	2.43
†Quebec	5	1959	109.00	112.00	4.03
Saint John	5	1950	105.50	108.50	3.79
†Toronto	4½	1955	116.50	117.50	2.83
†Vancouver.	5	1950	103.00	106.00	4.63
Winnipeg	5	1944	100.00	103.00	2.94

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.96	2.14
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	3.05	3.35
Can. Investors	4.25	5.00
Corp. Investors	4.85	5.20
Trans-Canada	8.65	9.50

Annual Meetings

1942: Company	Place
Oct. 17—Humberstone Shoe	Toronto
Oct. 19—Cochenour Willans	Toronto
Oct. 26—Highwood-Sarcee Oils	Calgary
Oct. 27—Alberta Pac. Grain	Winnipeg
Oct. 30—Anglo-Huronian	Toronto
Oct. 30—Calgary & Edm. Corp.	Winnipeg

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiberg, p.	$1.37½	Nov. 2	Oct. 15
Ang. Can. Tele., p.	68¾c	Nov. 2	Oct. 15
Atlas Steels c.	15c	Nov. 1	Oct. 16
Blue Ribbon pfd.	62½c	Nov. 1	Oct. 20
Brazilian Tr. ord.	60c	Dec. 15	Oct. 24
Beatty Bros., pf.	$1.50	Nov. 2	Oct. 15
Bathurst Pwr. A	25+25c	Dec. 1	Nov. 6
B. C. Tel., 2nd pref.	$1.50	Nov. 1	Oct. 17
Can. Investors	10c	Nov. 2	Oct. 19
Can. Bronze	37½c	Nov. 2	Oct. 9
Do., pref.	$1.25	Nov. 2	Oct. 9
Canada Iron, pref.	$3	Nov. 1	Oct. 15
Can. Converters	50c	Oct. 31	Sept. 30
Confederation Life	$1.50	Dec. 31	Dec. 25
Can. Nor. Power	▪15c	Oct. 26	Sept. 19
Can. Bk. of Comm.	$1.50	Nov. 2	Sept. 30
Can. Indus. A, B	$1.50	Oct. 31	Sept. 30
Can. For. Inv. c.	$1.30	Nov. 1	Oct. 15
Can. Iron, pfd.	$3	Nov. 1	Oct. 15
Canadian Oil. c.	25c	Nov. 16	Nov. 2
Cockshutt Plow	25c	Dec. 1	Nov. 2
Do.	25c	June 1, '43	May 15
Coast Brew.	3c	Nov. 2	Oct. 9
Caldwell Linen pfd.	37c	Nov. 2	Oct. 15
Do., 2nd pref.	20c	Nov. 2	Oct. 15
Calgary Power pfd.	$1.50	Nov. 2	Oct. 15
Crown Cork	50c	Nov. 16	Oct. 31
Crow's Nest Coal	$1.50	Dec. 2	Nov. 7
Delnite Mines	3c	Nov. 30	Nov. 7
Dominion Bank	$2	Nov. 2	Oct. 15
Dominion Stores	▪10c	Nov. 20	Nov. 5
Dominion Tar, pf.	$1.37½	Nov. 2	Oct. 13
Dome Mines	▪40c	Oct. 20	Sept. 30
Distillers Seag., p.	†$1.25	Nov. 2	Oct. 15
Dom. Oilcloth	30+10c	Oct. 30	Oct. 15
Dover Indust.	20c	Nov. 2	Oct. 15
Fairchild Aircraft	*25c	Oct. 31	Oct. 15
Federal Grain p.	$2	Nov. 2	Oct. 17
Federated Pete.	1½c	Oct. 28	Sept. 30
Foundation Co.	35c	Oct. 17	Sept. 30
Gold Belt M.	2c	Oct. 31	Oct. 15
Guardian Realty p.	50c	Oct. 15	Sept. 30
Granby Elastic p.	69c	Nov. 2	Oct. 15
Honey Dew	30c	Jan. 2	Dec. 15
Inter. Nickel, pref.	†$1.75	Nov. 2	Oct. 3
Imperial Bank	$2	Nov. 2	Sept. 30
Inter. Nickel, pf.	$1.75	Nov. 2	Oct. 3
Inter. Util., pr. pf.	†87½c	Nov. 1	Oct. 21
Int. Metal, pf. A pf.	$1.50	Nov. 1	Oct. 15
Do., arrears	$5	Nov. 1	Oct. 15
Kerr-Addison G.	5c	Oct. 28	Oct. 9
Kirkland Lake	2c	Nov. 4	Oct. 3
Langley's pfd.	▪50c	Dec. 11	Dec. 2
Loblaw Groc. Inc.	25c	Dec. 1	Nov. 13
Melchers Dist., pf.	30c	Dec. 15	Dec. 1
Mtl. L. H. & Pr.	37c	Oct. 31	Sept. 30
Negus Mines	2½c	Oct. 31	Oct. 15
Nor. Ont. Power	12c	Oct. 26	Sept. 30
Do., pref.	$1.50	Oct. 26	Sept. 30
Okalta Oils*	2c	Nov. 16	Oct. 31
Paymaster Cons.	▪1c	Jan. 15 '43	Dec. 31
Penmans	75c	Nov. 16	Nov. 5
Do., pref.	$1.50	Nov. 2	Oct. 21
Powell Rouyn G.	2c	Oct. 24	Oct. 17
Privateer Mines	3c	Nov. 10	Oct. 25
Proprietary M.	5c	Oct. 29	Oct. 15
Quebec Power	25c	Nov. 25	Oct. 26
Regent Knit., c.	25c	Jan. 15	Jan. 2
Rolland Paper	15c	Nov. 16	Nov. 6
Do., pref.	$1.50	Dec. 1	Nov. 16
Royal Bank	$1.50	Dec. 1	Oct. 31
San Antonio G.	7+3c	Nov. 6	Oct. 20
Saguenay Pwr., p.	$1.37½	Nov. 1	Oct. 15
Silbak Prem.	4c	Oct. 26	Oct. 5
Sher.-Williams	15c	Nov. 2	Oct. 15
Shawinigan W.	22c	Nov. 25	Oct. 26
So. Can. Power, c.	20c	Nov. 16	Oct. 20
Sullivan Cons.	3c	Nov. 16	Oct. 15
Simpsons, pref.	$1.62½	Nov. 2	Oct. 17
Steel of Can.	75c	Nov. 2	Oct. 7
Do., pref.	75c	Nov. 2	Oct. 7
Toburn Gold	2c	Nov. 23	Oct. 22
Toronto Elev.	$1	Nov. 9	Oct. 30
Do., pref.	66c	Dec. 7	Nov. 26
United Corp. "A"	37c	Nov. 16	Oct. 15
Wood, A. & J., pfd.	$1.75	Nov. 2	Oct. 15
Weston, Geo., pref.	$1.25	Nov. 2	Oct. 15
Wilsil	25c	Jan. 2	Dec. 15
Zellers	20c	Oct. 31	Oct. 15
Do., pref.	37½c	Oct. 31	Oct. 15

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
*Initial.

Mining Dividends

	Rate	Oct. 12	Yield %
Anglo-Huronian	20c	2.00	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	.88	18.1
Bayonne	†1c	.03	..
Beattie Gold	10c	.51	..
Berens River	9c	.60	..
Bralorne	80c+40c	4.75	*25.4
Broulan Porc.	12c	.26	..
Buffalo Ankerite	▲30c	1.10	..
Bulolo Gold	$3	8.12	..
Can. Malartic	8c	.22	..
Cariboo Gold	15c	.70	..
Central Patricia	15c	.50	..
Chesterville	▲15c	.43	..
Cochenour Willans	6c	.50	12
Coniagas	10c	.75	..
Coniaurum	‡10c	.41	..
Cons. Smelters	$1+$1.50	36.00	6.9
Delnite	6c	.52	..
Dome Mines	$1.60	11.50	13.9
East Malartic	‡5c	.87	..
Francoeur Gold	▲4c	.12	..
Goldale Mines	2c	.07½	..
Gold Belt	4c	.12½	..
Grandview	2c	.12	..
Grull Wihksne	†.00½c	.01¾	..
Hallnor	40c	1.55	25.8
Hard Rock	3c	.28	..
Hedley Mascot	8c	.19	..
Hollinger	65c	6.00	10.8
Howey Gold	2c	.11¾	..
Hudson Bay	$2	23.75	8.4
Inter. Nickel, com.	$2	33.75	5.9
Island Mountain	8c	.85	..
Jason	▲4c	.09½	..
Kerr-Addison	‡27c	3.15	..
Kerr Lake	▲5c	.50	..
Kirkland Lake	6c	.35	..
Lamaque Gold	‡30+25c	2.80	..
Lake Shore	80c	6.50	12.3
Leitch	8c	.40	20
Little Long Lac	‡10c	.61	..
Macassa	32c	1.55	20.8
Madsen R. Lake	3c	.35	..
Malartic Gold	▲10c	1.15	..
McGillivray Coal	1c	.10¼	..
McKenzie Red L.	12c	.44½	27
Moneta	8c	.25	..
McIntyre-Porc.	$2.22+$1.11	33.50	*9.9
MacLeod-Cockshutt	10c	.88	..
Negus	5c	.25	..
Nipissing	15c	.91	..
Noranda	$4	42.50	9.4
North Empire	‡10c	2.00	..
O'Brien Gold	3c	.40	..
Pamour Porc.	8c	.30	..
Pato Cons.	‡25c	2.10	..
Paymaster Cons.	2c	.13	..
Pend Oreille	▲6c	1.10	..
Perron Gold	16c	.41	..
Pioneer, B. C.	‡33c	1.14	..
Pickle Crow	30c	1.08	27.7
Placer Develop.	25c	5.00	..
Powell Rouyn	2c	.36	..
Premier	7½c	.30	..
Preston E. Dome	20c	1.08	18.5
Privateer Mines	12c+1c	.24	..
Quebec Gold	▲2c	.18	..
Reno Gold	20c	.07	..
San Antonio	14c+6c	1.24	*16.1
Sheep Creek	16c+4c	.60	*33
Sherritt Gordon	10c	.63	..
Sigma Mines	60c	4.05	..
Silbak Premier	16c	.50	..
Siscoe	‡5c	.28	..
Sturgeon River	2c	.08	..
Sudbury Basin	2½c	1.12	..
Sullivan Cons.	9c	.46	..
Surf Inlet	1c	.06	..
Sylvanite Gold	20c	1.15	17.3
Teck-Hughes	40c	1.32	..
Toburn	11c+2c	.46	..
Upper Canada	‡5½	.45	..
Ventures	20c	3.15	..
Waite Amulet	40c	3.50	..
Wendigo	3c	.15	..
Wright Harg.	40c	1.85	21.6

▲Paid in 1941. *Yield including bonus.
†Initial. ‡Paid in 1942 to date.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$9.54	$10.37	$8.84
Hogs	16.35	15.25	14.83
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1955	.1957	.1754
Sugar, raw, lb.	*.0374	.0374	.0350
Wheat, Man. (bu.)	.90⅛	.90	.74⅛
Coffee, lb.	*.09⅜	.09⅜	.09⅛
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	99.7	99.4	91.6
Wood, Gundy	78.4	77.9	75.1
Dow Jones (fut.)	83.98	85.47	80.94
Fishers	108.2	108.2	98.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Sept.)	117.4	117.7	114.7
W'sale (Aug.)	95.6	96.1	92.1
U. S. (July)	98.7	98.6	88.8
Gt. Brit. (Aug.)	158.6	159.8	153.2

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

The Business Of Farming

By GORDON L. SMITH

"Why should farmers get any more for their beef cattle this year, it didn't cost any more to grow grass?"

Many impatient city housewives have been asking their butchers that question in the last few weeks. It is based on the all too general assumption, that farming has remained unchanged from pioneer days, when literally everything used, including tools, buildings, fences and other equipment as well as livestock did originate on the homestead.

• • •

Farm Factories

Seldom is that the case today. In most of eastern Canada, indeed, the farm is simply a rural factory turning out finished products like whole milk, cream, beef cattle, fruit and other things from raw materials partly grown on the farm and partly purchased.

In beef cattle, for instance, it has been the practice for years for Ontario and Quebec farmers to buy large numbers of young stocker and feeder cattle from the ranches of western Canada and finish these for market. Incidentally the rancher could not do the job himself because he has little or no grain immediately at hand for the final finishing, just as the Eastern feeder has not sufficient cheap range for the growing animals.

This year the price of these western cattle has been running high. Even assuming the grass did not cost any more to grow this year than last, that is only one of several items that enter into the cost of finished beef.

• • •

Make Fruit Stick

As only a small example of how science is steadily reducing the hazards of agriculture, a spray has been devised to hold apples and other fruits on trees weeks longer than normal.

Usually when fruit is nearly ripe it will commence to drop, Nature apparently wanting to make sure that the seeds and stones in that fruit get near to the ground where they can start to grow. In many cases, however, growers are not ready to pick the fruit before this drop commences, hence a considerable percentage is always lost or damaged. Sprays now make the fruit stems adhere weeks longer to the branches thus giving growers a chance to harvest all the fruit.

• • •

Huge Processing Cost

Last week we mentioned some of the costly operations required for handling herbs that the optimists seem to overlook.

Even in much more familiar crops there are unsuspected processing losses which account for much of the tremendous spread between the raw and finished material prices. The other day an acquaintance came into the office rubbing his hands. He believed he had just discovered a highly profitable market for a by-product that he had originally intended for a bonfire. This was the straw from his crop of oil or linseed flax.

Normally, of course, one sows either fibre or oil flax. In the first case it is the straw that is valuable and in the second, the grain. One is usually sacrificed in the handling of the other. In western Canada, where the bulk of the oil flax is produced, the tough wooden straw is simply burned to get it out of the way.

• • •

Flax Straw Market

Our friend, however, on the off chance that war conditions had unearthed some new use for his straw, called up some dealers and was promptly offered so many dollars per ton. But there was a catch. The price offered was not for the raw straw but for the short fibre from that straw after it had gone through a special machine which separates the rough, woody structure in the stem from the fibre inside. Actual yield of the fibre would only be about one seventh the weight of the total straw.

War conditions have created a special market for this short, staple fibre from raw flax straw. It now goes to make such specialties as cigarette paper, formerly imported from France. As such it is valuable, but cost of processing is so high and the outlet and manufacturing facilities so limited that it is doubtful whether many Prairie farmers will find it worth while or possible to salvage this by-product of their oil flax this year.

DIVIDEND NOTICES

The Dominion Bank
Dividend No. 240

Notice is hereby given that a Dividend of two per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st October, 1942, making a total distribution of nine and one-half per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the second day of November, 1942, to shareholders of record of the 15th October, 1942.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 10th September, 1942.

The Canadian Bank of Commerce
Dividend No. 223

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1942, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd November next, to shareholders of record at the close of business on the 30th September, 1942. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 15th September, 1942.

CITY of MONTREAL
NOTICE
Bonds of the City of Montreal
Due 15th May, 1940

The semi-annual interest on these bonds will be paid on November 15th, 1942.

Transfer books will be closed from October 15th to November 15th inclusively.

L. ROBERGE,
Director of Finance.
Office of the Director of Finance,
City Hall,
Montreal, 8th October, 1942.

BRAZILIAN, TRACTION, LIGHT AND POWER COMPANY, LIMITED

Notice is hereby given that the Board of Directors of this Company has declared a dividend of 60 cents per share on the Company's issued Ordinary Shares of no par value, payable on the 15th December, 1942, to shareholders of record at the close of business on the 24th October, 1942. Payment of this dividend to non-residents of Canada will be subject to deduction of the Canadian Non-resident Income Tax.

In the case of shares in the form of share warrants to bearer, the above dividend is represented by coupon No. 70. As most of the share warrants to bearer of the Company have been held in Continental Europe (chiefly in Belgium) the Custodian of Enemy Property in Canada has ordered that no coupon detached from any share warrant to bearer of the Company shall be paid by or on behalf of the Company without reference to him. Holders of share warrants, therefore, wishing to claim their dividends should forward their coupons to the Company at its office, 25 King Street West, Toronto, Canada, or to the English Agents of the Company, Canadian & General Finance Company, Limited, 90 The Drive, Hove, Sussex, England, accompanied by the Canadian Custodian Form G (copies of which can be obtained from any Bank in Canada and from the English agents of the Company above referred to) and if the Custodian's consent is received a cheque in Canadian currency will be forwarded to the holder for the value of the coupons against cancellation thereof, subject to the deduction where applicable of the Canadian Non-resident Income Tax.

Dated at Toronto, Canada, the 8th day of October, 1942.

By Order of the Board
D. H. CROMAR,
Asst. Secretary.

Note: The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada, who should be notified promptly of any change of address.

N. S. Gold Production Drops Sharply This Year

From Our Own Correspondent

MONTREAL.—Gold production in Nova Scotia is down sharply this year due to the labor shortage and the scarcity of materials, according to Hon. L. D. Currie, Provincial Mines Minister.

In 1941 about 21,000 fine ounces of gold were produced. Official reports of monthly gold production reveal that during the first seven months of 1942 Nova Scotia shipped to the Royal Canadian Mint 8,793 oz. of gold. This contrasts with 12,804 oz. in the like period of last year.

DIVIDEND NOTICES

Privateer Mine Limited
Dividend No. 16

NOTICE is hereby given that a dividend of three cents (3c) per share has been declared by the Directors of Privateer Mine Limited, payable in Canadian Funds, on the 10th day of November, 1942, to shareholders of record on the 25th day of October, 1942.

By Order of the Board,
W. S. LANE,
Secretary.
Vancouver, B.C.
October 8th, 1942.

DOMINION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of Ten Cents (10c) per share has been declared on the Common Stock of the Company, payable November 20th, 1942, to shareholders of record at the close of business November 5th, 1942.

By Order of the Board,
FRED McCONNELL,
Secretary-Treasurer.
Toronto, September 22nd, 1942.

San Antonio Gold Mines Limited
(No Personal Liability)
Dividend No. 18

Notice is hereby given that a dividend of 7c a share, and an extra dividend of 3c a share, making 10c a share in all, has been declared on the outstanding capital stock of the Company, payable in Canadian funds, on the 6th day of November, 1942, to shareholders of record at the close of business on the 20th day of October, 1942.

By Order of the Board.
M. SNYDER,
Secretary.
Winnipeg,
October 5th, 1942.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that a dividend of Fifteen Cents (15c) per share has been declared on the no par value Ordinary Stock of the Company, payable to shareholders of record the 15th day of October, 1942, and that cheques will be mailed on November 2, 1942.

Books not closed.

By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.
Montreal, Quebec.
September 3, 1942.

Elevator Congestion Looms

Railways Limit Grain Loadings for Head of Lakes

From Our Own Correspondent

WINNIPEG. — Congestion of western elevators looms. The action of the railways in imposing an embargo on all but an extremely limited loading of grain cars destined for the head of the lakes will not be the cause of difficulty, but only the symptom.

Terminal elevators at the head of the lakes are full of grain, can take in additional supplies only as shipments are made down the lakes. Such shipments at present are few. The railways are simply protecting themselves against getting more cars than they can spare tied up in grain standing upon tracks.

In the meantime threshing is going forward with a rush throughout the greater part of the West, impeded in spots by the scarcity of labor, and also by the fact that a great deal of grain is still uncut.

It has been pouring into country elevators at the rate of more than five million bushels a day, of which slightly more than half is wheat, and the remainder mostly oats and barley. Threshing is proceeding at a much greater rate, but deliveries are limited by strict quotas imposed by the Canadian Wheat Board.

Curious Feature

At a considerable number of points elevators are already so full that there is not room even for the quotas. There are also points where, because of unfavorable weather conditions, farmers as yet have been able to accomplish little threshing, and where, as a result, a good deal of empty elevator space remains. Such empty space, both in country elevators and in adjacent annexes, is one of the curious features of the present situation.

Certain as it is that practically all space the elevator companies have provided will soon be in urgent demand, these companies find that much of their space has remained idle for the first two and a half months of the crop year.

The embargo and storage situation are presenting some other problems to the elevator companies. These have been buying oats and barley in large quantities, and have been hoping to get them forward in time to take advantage of a fairly keen demand that has existed.

They are sure of being able to resell such grain whenever it is in deliverable position in terminal elevators, because of the government guarantee of prices for oats and barley. But how long they may have to hold coarse grain before they can forward it, and get their money back, and whether the sale price will contain any remuneration for storage facilities having been tied up, are two questions as yet unanswered.

Supply of Oats

Although the supply of oats for sale will be large, quantities available for immediate delivery in terminal elevators have remained smaller than current demand, so oats for immediate delivery have been commanding a premium above prices for October or May delivery. A similar situation prevails with respect to barley, except that the premiums for immediate delivery apply only to malting grades.

There is also a premium situation with respect to lower grades of wheat, little of which has made its appearance at terminal elevators. Lower grades are selling at spreads under No. 1 Northern much smaller than those which apply in the Wheat Board schedule of initial prices, but uncertainty of delivery at terminal elevators makes it impracticable for corresponding spreads to be offered at country points. As a result practically all wheat is being delivered to the Canadian Wheat Board.

December Wheat

December wheat is still selling at a margin, but only a fractional one, above the 90 cent level for October wheat. The situation reflects the fact that the government has made no move to have the Wheat Board pay farmers a farm storage charge on wheat delivered to the Board. This, if paid, might have the effect of forcing a gradual rise in the open market price of wheat as the season advances, as was the case during the last crop year when farm storage payments were effective.

Harvest Excursions

The first of the farm labor excursions from eastern Canada have arrived in the West. They will alleviate labor difficulties to some extent, as also will efforts made in different districts to get town and village residents to drop their regular work for a brief period to help in the fields.

It is evident, however, that the chief recourse of farmers in this respect will have to be an exchange of work between farmers, and to some extent between different districts. Continuation of fine weather is hoped for to permit full employment of available power of men and machinery.

Wheat Policy Is Condemned

Expert Says It Clogs War Effort, Makes Farmers "Involuntary Profiteers"

Surveying the world wheat outlook for September in the current "Wheat Studies" of the Food Research Institute of Stanford University, Joseph F. Davis declares government policies are "clogging the war effort as well as making wheat farmers involuntary profiteers."

Mr. Davis is speaking more directly of Washington in this sentence, although his survey covers production on the whole North American continent and is of more than passing interest to Canadians.

After pointing out that the phenomenal crops in North America this year are from the lowest acreage sown in many years, he says that North American wheat supplies for 1942-43 are truly colossal; over 50% larger than in the depression years of superabundancy. He points out that acute storage crises are being met at heavy cost and that total carryover in 1943 for North America may exceed 1,500 million bushels. He adds that this "is more than the two countries ever produced in any year prior to 1942."

Then comes this statement:

"The needs are obvious: to facilitate the fullest utilization of this abundant resource, in every possible way, at prices low compared with prices of goods that are absolutely or relatively scarce; to remove the stimuli to excessive production; and further to reduce the acreage sown to wheat. Yet in the United States, political measures still keep forcing up wheat prices and returns to growers; disposition of government-owned stocks for feed and export is hampered by the terms set by act of Congress; and acreage restriction is limited by a legal minimum already proved excessive. Such policies are clogging the war effort as well as making wheat farmers involuntary 'profiteers.'"

PULP EXECUTIVE

Wentworth Brown, whose appointment as vice-president of Brown Corp., La Tuque, P.Q., one of Canada's largest sulphate pulp producers, is announced.

Base metal mines are reported to have been purchasers recently of considerable equipment made available by closing down of gold mines.

Wheat Prices

Winnipeg Grain Futures
Week of Oct. 12, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Oct. 12
		Wheat			
.90	.90	Oct.	.90	.90	.90
.91¼	.90⅜	Dec.	.91⅛	.90⅜	.90¾
		Oats			
.49⅛	.45½	Oct.	.48⅛	.47	.47¼
.46⅞	.45	Dec.	.45½	.45¼	.45¼
.48¼	.45¾	May	.46⅛	.45¾	.45¾
		Barley			
.61⅜	.60¼	Oct.	.61	.60⅜	.60⅜
.61½	.60¼	Dec.	.60¾	.60¼	.60¼
.62½	.60¾	May	.61½	.60¾	.60¾
		Rye			
.62¼	.52¾	Oct.	.57¼	.56	.56⅜
.63¼	.53⅝	Dec.	.58⅛	.56½	.57
.64¾	.58⅞	May	.60¼	.58⅜	.59½

Cash Quotations

Wheat	For Week Oct. 12 High	Low	Prev. Week High	Low
1 Nor.	.90⅛	.90	.90	.89⅞
2 Nor.	.87	.87	.87	.86⅞
3 Nor.	.85⅝	.85¼	.85⅜	.84⅞
4 Nor.	.84¼	.83⅝	.83¾	.83⅜
5 Wheat	.83¾	.83½	.83½	.82
6 Wheat	.82¼	.82	.82	.79½
Feed	.80	.80	.80	.77½
Oats:				
2 C. W.	.49⅝	.49¼	.49½	.48
3 C. W.	.46⅜	.46	.45⅞	.45¼
Barley				
1 Feed	.56⅞	.56¾	.56⅝	.56⅛
2 Feed	.55⅜	.54⅝	.56¼	.55⅜
Rye				
2 C. W.	.57	.56	.58⅜	.56⅞

TORONTO ELEVATORS LIMITED
Also Owning and Operating the Sarnia Elevator Co. Ltd.
Capacity: Toronto, 4 Million Bushels
Sarnia, 3 Million Bushels
The most modern facilities for the storage and transfer of grains, for grain conditioning, and for the production of MASTER FEEDS for Livestock and Poultry. MASTER FEEDS are endorsed and recommended by leaders in the livestock industry of Canada.
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LIMITED
(Licensed and Bonded with the Board of Grain Commissioners)
OPERATING
464 Country Elevators
73 Flour Warehouses
227 Coal Sheds
Terminal Elevators at Vancouver and Port Arthur
(Capacity—9,661,500 Bushels)
Offices: Calgary and Winnipeg
(36)

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Canadian Farmers:
you have done well!
WARTIME PRODUCTION IS
STILL GROWING!
HOGS
During the last fouryears (Sept. 1 to Aug. 31) —

1938-39
1939-40
1940-41
1941-42

	LBS. PORK	LBS. PORK	LBS. PORK	LBS. PORK
You produced*	396 MILLIONS	551 MILLIONS	759 MILLIONS	838 MILLIONS
of this amount...				
1 Exports to our Allies (mainly to Britain.)	170 MILLIONS	300 MILLIONS	485 MILLIONS	556 MILLIONS
2 Remaining for consumption in Canada.**	226 MILLIONS	251 MILLIONS	274 MILLIONS	282 MILLIONS

* Inspected slaughter. Does not include pork products used on farms or sold direct from farms to consumers, small butcher shops, etc.
** Including army camps, ship stores, and general retail distribution.
The people of Britain want 20% more in the next twelve months than they obtained the last, and at the same time Canadians want more.
CATTLE
During the last fouryears (Sept. 1 to Aug. 31) —

1938-39
1939-40
1940-41
1941-42

	LBS. BEEF	LBS. BEEF	LBS. BEEF	LBS. BEEF
You produced*	502 MILLIONS	482 MILLIONS	534 MILLIONS	610 MILLIONS
of this amount...				
1 Exports to our Allies (mainly to the U.S.A.)	102 MILLIONS	72 MILLIONS	86 MILLIONS	128 MILLIONS
2 Remaining for consumption in Canada.**	400 MILLIONS	410 MILLIONS	448 MILLIONS	482 MILLIONS

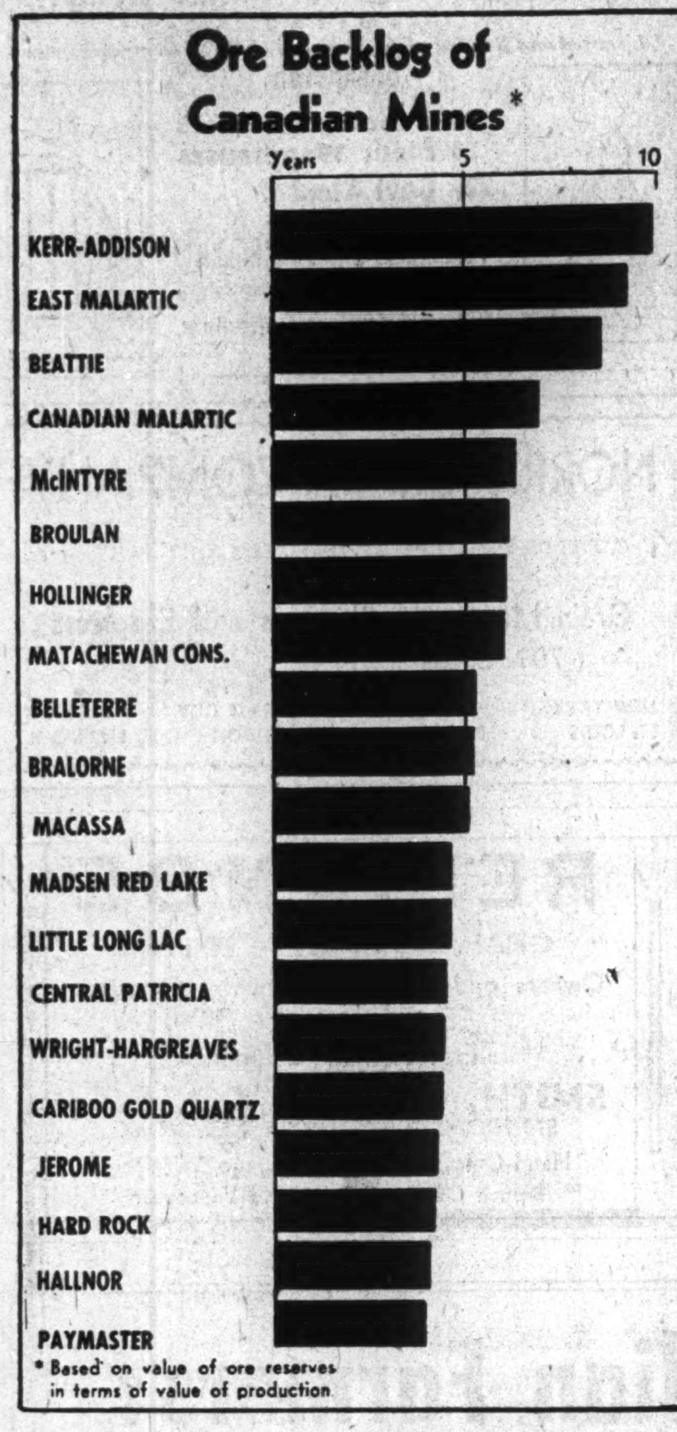
* Inspected slaughter plus exports (dressed weight basis). Does not include beef used on farms or sold direct from farms to consumers, small butcher shops, etc.
** Including army camps, ship stores, and general retail distribution.
The United States will take your surplus cattle and at the same time Canadian consumers want more.
MR. FARMER: You have increased your Pork Production by 119 per cent. You have increased your Beef Production by 20 per cent. You fed all the grain you had last year. There is more feed grain in Canada this year than can be fed. There is a market for all the hogs and cattle that you can feed this year. Average prices for hogs and cattle during the coming year will be higher than the averages for the past year. We know that you will continue to produce all you can. *Your splendid war effort is appreciated by Canada and the United Nations.*
DOMINION DEPARTMENT OF AGRICULTURE, OTTAWA
Honourable James G. Gardiner, Minister

Reserves and Low Costs Can Help Gold Mines

Some Producers Show Strong Position to Cope With Labor Shortage

Which gold mines will weather the labor shortage with the minimum reductions in dividends will depend largely on the manner in which labor is shifted out of gold mining, and the flexibility of the individual mine.

Many of the factors which will govern the future of individual mines cannot now be evaluated. But a rough measurement of the relative flexibility of the various mines can be obtained by study of two features of gold mining—the backlog of developed ore reserves and the profit margin on current production.



* Based on value of ore reserves in terms of value of production

Chart by The Financial Post

Both are of prime importance. Ore reserves may be wiped out if the margin of profit is narrow, while a satisfactory margin of profit means nothing if no "raw material" is available for treatment.

When a mine has developed ore ahead, a labor shortage is not so serious—relatively. Men can be taken off "development headings" to maintain production elsewhere. The mine with slim ore resources, however, can't take its men off development, and may feel effects of labor shortage early.

Similarly, if margin of profit is ample, a mining operation has an earnings "cushion" to fall back on when level of production must be curtailed and costs are on the uptrend.

These Important Too

Many other factors, such as drill indications of ore, degree of mechanization of operations, and "forward" position in supplies, are of significance to future operations.

But from the short term standpoint, developed ore and a fair margin will be fundamental requisites when gold mining labor becomes scarcer—as Selective Service Director Elliott M. Little, and Labor Minister Humphrey Mitchell have indicated it will.

The accompanying charts show how Canada's most outstanding gold mines rate as to (a) dollar value of ore reserves in relation to current production, and (b) profit margins. The tabulations are incomplete as some mines do not report their ore reserves at all and others only give figures on ore reserve tonnage with nothing on gold content. But taken together, the two charts give a broad outline as to where the greatest stamina lies in the gold mining industry.

How Calculations Made

Reserves of gold mines are worked out to show how long dollar value of ore reserves would last at the rate of dollar output the first six months of this year.

Basing the length of time ore reserves would last on their dollar value, rather than tonnage of ore in reserve and tonnage milled, gives a better idea of where each mine stands. On this basis, for instance, Kerr-Addison shows a slightly smaller ore reserve position since its mill has been treating a grade of ore higher than average grade in reserve. On the other hand, McIntyre, Broulan and Hollinger show a greater number of years' ore in reserve than they would on a tonnage basis as they follow a policy of treating ore of lower than average grade in reserve.

Lots of Ore Not Enough

It will be noted that the 20 mines qualifying with the largest number of years of ore in reserve (on a dollar basis) are not all found in the list of producers with a relatively high margin of profit. Large reserves are not always accompanied by low costs or vice versa. Eliminating mines from each list which do not appear in the other, the remaining mines "stack up" in this order:

Largest Reserves	Best Profit Margin
1. Kerr-Addison	1. Hallnor
2. McIntyre	2. Wt.-Hargreaves
3. Broulan	3. Kerr-Addison
4. Hollinger	4. Bralorne
5. Belleterre	5. Macassa
6. Bralorne	6. Broulan
7. Macassa	7. Central Pat.
8. Little Long Lac	8. McIntyre
9. Central Pat.	9. Hollinger
10. Wt.-Hargreaves	10. Belleterre
11. Hallnor	11. Little Long Lac

Even if a mine appears in both these lists — making it relatively fortunate from a short term viewpoint — other factors may cloud the long-term outlook. Hallnor and Wright-Hargreaves, which head the list of low cost producers, have as yet to show substantial tonnages of ore at depth while Broulan, Little Long Lac and Central Patricia are not entirely "in the clear" when it comes to knowledge of ore at depth.

A More "Select" List

If we further pare our list by removing the mines for which long term qualifications are mentioned, we have remaining a list of producers relatively strong both from the short-term war labor shortage viewpoint and from the longer term viewpoint.

Our list now appears as follows:

Big Reserves	Good Profit Margin
1. Kerr-Addison	1. Kerr-Addison
2. McIntyre	2. Bralorne
3. Hollinger	3. Macassa
4. Belleterre	4. McIntyre
5. Bralorne	5. Hollinger
6. Macassa	6. Belleterre

This "select" list does not necessarily include all the gold mines in a really strong position.

San Antonio, which doesn't place a figure on the average value of ore reserves, might possibly rank in both lists if the full facts were known.

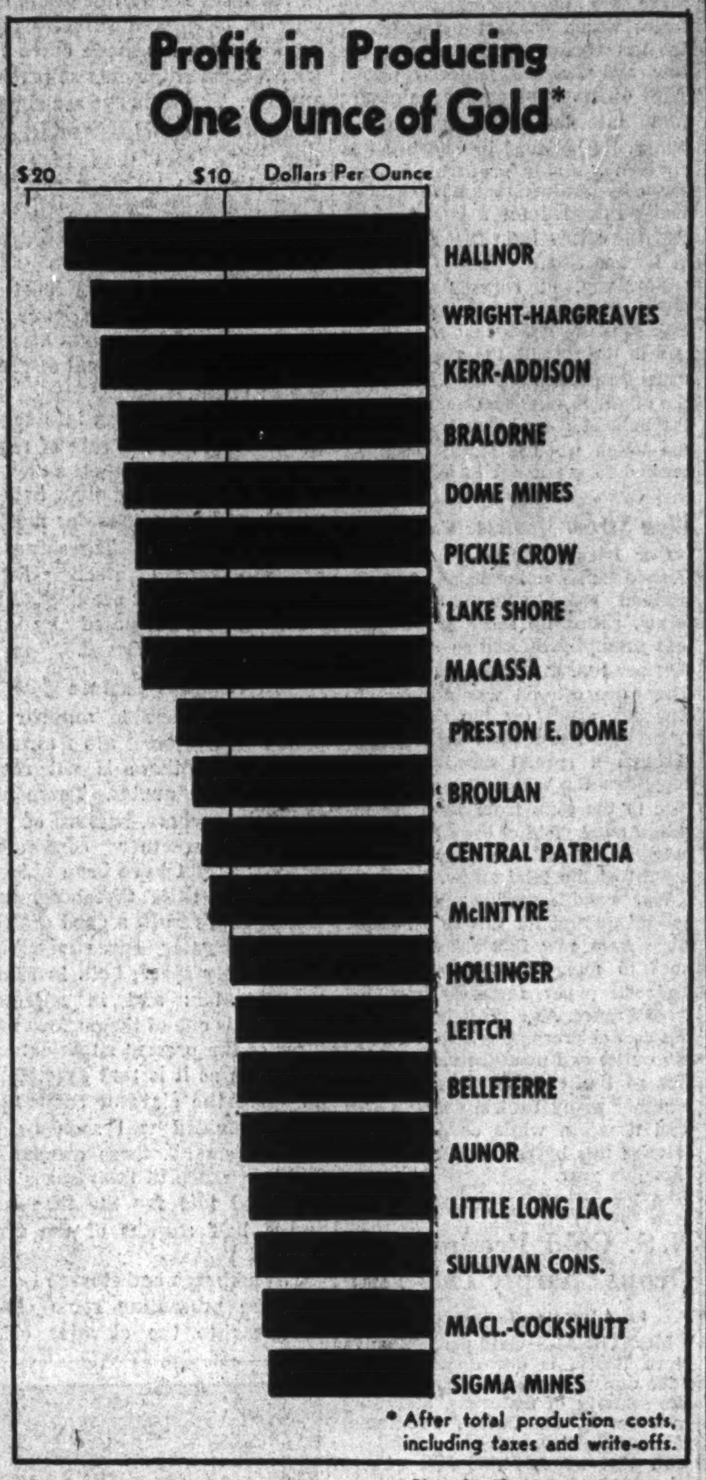
Sigma Mines didn't report large enough ore reserves to rank among the top 20 at the end of last year, but ore has been demonstrated to go to depth and the company has many new levels practically untouched.

Young Davidson Mines has both large proven and broken ore reserves, but the management does not release figures on ore grade.

Kerr-Addison Outstanding

Kerr-Addison is at the head of the "select" list from the standpoint of years of ore in reserve and profit margin. This is the stock that was the most popular selection among the golds when The Financial Post held its "Investing in Mines" contest early in 1941. Many forecasts were made at that time concerning the outstanding future possibilities of this property.

It is quite possible that the ore reserve position of this mine is better than our tabulation suggests. Over a period of years, the company has demonstrated that its ore gives a better recovery when milled than preliminary sampling of ore "in place" has indicated. For continuity of mining operations and ability to get along with a reduced staff if necessary, it is fortunate to have close to a year's broken ore.



* After total production costs, including taxes and write-offs.

Chart by The Financial Post

McIntyre & "Holly"

Porcupine provides two of our front-ranking mines — McIntyre Porcupine and Hollinger. Both stand high up in ore reserves and in margin of profit. McIntyre also has a substantial investment portfolio. Hollinger is realizing extra profits from its Young-Davidson and Ross operations. While the McIntyre and Hollinger mines have both been in production over 25 years, they have yet to show any significant signs of exhaustion.

Bralorne, British Columbia's outstanding gold producer, is close to the top in profit margin and probably deserves a somewhat higher rating in ore reserves than published figures would indicate. It consistently mines a greater tonnage of ore than is included in ore reserves for specific areas.

Macassa Is Low Cost

Macassa, west Kirkland Lake producer, reveals itself as one of Canada's lowest cost gold producers. Operations last year were affected by the Kirkland Lake strike and the mine is possibly able to operate at a considerably better margin of profit than the figures—based on 1941 results — would indicate.

Ore disclosures at depth have been satisfactory and the mine continues in a strong "forward" ore position.

Looking at the situation generally, it is realized the best gold mine in Canada couldn't expect to work economically if its labor force is reduced beyond a certain point. Gold mines mentioned here as possessing large ore reserves and low costs would seem likely to perform relatively better than ohers, but a wholesale shift of miners from gold to base metals may be attended by unexpected developments.

Mining INVESTMENTS

The drastic decline in gold stocks this last week, precipitated by the labor crisis, has lopped many millions off the market value of Canada's gold mining industry. Selling resulted in increased market turnover with brokers reporting declines precipitated a certain amount of margin account liquidation.

While selling predominated, "informed buying" was also reported taking place. Some market analysts seem to think that present prices more than discount the possible loss of profits through more gold mines having to close down. At the same time they were willing to concede prices might move still lower with the advent of any further bad news.

• • •

Aid for tungsten mines is increasing these days as Canada hasn't yet been able to secure adequate supplies. Announcing an increase in the price of tungsten scheelite ore to $26.50 per unit of 20 lb., Metals Controller George C. Bateman states as follows:

"It is expected both prospectors and producers of tungsten in Canada will be encouraged by this higher price. Tungsten is vitally needed in the production of war materials and every effort must be made to provide adequate supplies. The department is prepared to consider any individual tungsten property on its merits and where there is a reasonable expectation of a sufficient tonnage to justify the expenditure of manpower and supplies, the government is prepared to assist the owner or operator by a contract for a definite tonnage, if necessary, or will operate the property through a government agency."

For "Week In Oils," Oil Royalties, See Page 9.

IN THE KING'S BENCH

In the Matter of "The Companies Act" and Amending Acts, and In the Matter of Gold Pan Mines, Limited

NOTICE

TAKE NOTICE that pursuant to the Winding-up Order in the matter of the above Company dated the 17th day of June, A.D. 1942, THE NORTHERN TRUSTS COMPANY LIMITED, of the City of Winnipeg, in Manitoba, has been duly appointed permanent liquidator of the above Company.

AND FURTHER TAKE NOTICE that the Honourable J. W. Morrison, Master of the Court of King's Bench of the Eastern Judicial District of the Province of Manitoba, has appointed Friday, the 23rd day of October, A.D. 1942, at the hour of 10:00 o'clock in the forenoon at his Chambers in the Court House in the City of Winnipeg aforesaid, to settle the list of Shareholders of the above named Company pursuant to the said Act and the rules thereto.

AND FURTHER TAKE NOTICE that the proposed list of Shareholders is available for inspection at the office of the Liquidator and if your name appears therein you will be included in the said list for the number of shares appearing in your name in the books of the Company.

DATED at the City of Winnipeg, in the Province of Manitoba, this 2nd day of October, A.D. 1942.

"J. W. MORRISON,"
Master.

To Shareholders of Gold Pan Mines Limited.

CANADIAN
OIL ROYALTIES
BOUGHT — SOLD — QUOTED

Keep abreast of developments in Canada's rich oilfields, by reading our regular news bulletin from Calgary and our booklet, "Your Future in Oil." A copy of each will be sent on request, without obligation.

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The "MAJOR" and "ATLAS" OIL WELLS

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Clear Telephone Lines for
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Giving Wings to Words
THE BELL TELEPHONE COMPANY OF CANADA
LONG DISTANCE TELEPHONE

GOING PLACES!

These howitzer shells, all stacked and ready to "go places" are just one of the twenty different types of heavy ammunition being made in Canadian plants. These plants are going places, too: 1942 production of all types of shells totals a million rounds a month! And that means *complete* rounds — cases, explosive charges, fuses and other parts . . . all made in Canada.

It takes plenty of planning to keep all these shell components flowing smoothly to the right place at the right time. It takes a lot of telephoning, too. And that is where we can all lend a helping hand. Every call you make is carried over an interlocking network of telephone lines — lines already heavily taxed by the volume of war business. By being unselfish in your use of existing telephone facilities — by always observing "Wartime Telephone Tactics" — you may be helping Canada's war production more than you know.

WARTIME TELEPHONE TACTICS
1. BE SURE you have the right number . . . consult the directory.
2. SPEAK distinctly, directly into the mouthpiece.
3. BE BRIEF. Clear your line for the next call.
4. ANSWER promptly when the bell rings.
5. USE OFF-PEAK hours for Long Distance calls: before 9.30 a.m., 1-2 p.m., 5-7 p.m., after 9 p.m.

These things may look trifling, but on 6,500,000 daily telephone calls, they are very important.

"Let's get down to Brass Tacks"

In mid-Victorian days there used to be a good deal of guesswork about goods. Hence the origin of the saying, "Let's get down to brass tacks"... meaning the brass tacks which were set into store counters to divide a yard exactly into quarters and thirds. It's easy to "get down to brass tacks" in judging Jenkins Valves . . . there's never been any guesswork about their value . . . accurate records prove that they cost less per year of service.

Jenkins Valves
SINCE 1864
Always marked with the "Diamond"
BRONZE - IRON - STEEL
MADE IN CANADA BY JENKINS BROS. LIMITED, MONTREAL
OBTAINABLE AT YOUR LOCAL SUPPLY HOUSE

Madsen Year May Be a Record

Operating Profits Higher as Mill Grade Improves

From Our Own Correspondent

RED LAKE.—Unless some unforeseen developments take place the next month or two, Madsen Red Lake Gold Mines will likely realize record earnings in the current fiscal year ending Feb. 28, 1943.

Operating profits for the six months ended Aug. 31, 1942, totalled $340,138 compared with $425,650 for the full year ended Feb. 28, 1942, when earnings equalled 5 cents a share. The excess profits tax will eat into the extra profit being realized now, but the prospect for a record net profit appears bright despite this.

Better Grade Helps

A sharp improvement in grade of ore milled and lower operating costs have been responsible for the improved showing in the first six months of the current company year. Monthly record of production and earnings is as follows:

1942:	Tons milled	Recov. per ton	Total recov.	Operat. profit
Mar. ...	12,721	$8.77	$111,616	$44,045
Apr. ...	12,463	9.89	123,228	50,075
May ...	12,662	10.67	135,100	71,068
June ...	12,478	9.36	116,766	58,394
July ...	12,187	8.13	99,055	44,808
Aug. ...	12,186	10.30	125,486	71,748

Recovery last year averaged only $8.11 a ton.

The operating cost for the first six months is down to $19.87 an ounce from the $24.33 of the previous fiscal year, costs the previous year being abnormally high due to heavy mine development expenditures on the lower levels.

Rich Values at Depth

Diamond drilling below the 7th level at 1,100 ft. depth to 1,250 ft. depth has returned rich ore intersections over a length of 100 ft., the intersections being at 50-ft. intervals. True widths of the intersections—two to a hole—are as follows:

Drill Hole:	True width ft.	Grade oz.	True width ft.	Grade oz.
No. 766	23	0.179	17	0.177
No. 746	20	0.316	14	0.283
No. 768	25	0.386	12	0.152

The two ore sections are in the footwall zone and represent the downward extension of the main ore body, being separated by 15 to 22 ft. of porphyry. The intersections show characteristic structure with lower values in the walls and a high-grade section at the centre. For instance, hole No. 768, listed above, had a rich 10-ft. core grading an ounce gold uncut grade.

The 6th and 7th levels have now been closely developed and now show the following ore exposures:

Ore location:		Ore length ft.	—Aver.— width ft.	grade oz.	Tons per ft.
South "A"	950	166	28.0	0.22	388
Central "B"	950	277.5	50.1	0.198	1,158
North "C"	950	156.5	18.9	0.176	247
South "A"	1,100	112.0	48.4	0.278	452
Central "B"	1,100	173.0	30.4	0.322	439
Central "C"	1,100	77.0	30.1	0.225	193
North "D"	1,100	96.5	22.8	0.254	183

Get Ore to Northeast

The No. 7-10 drift on the seventh level has been carried for 300 ft. to the northeast in the main hanging-wall body showing mineralization. Drift sampling has returned a grade of approximately 0.4 oz. gold per ton. This grade has been borne out in bulk sampling of box-holing for stope preparation and in a raise in ore being driven through to the 6th level. No work is being done on the latter as it is proposed to carry the stopes through from the 7th to the 5th level.

On the 3rd level, the northeast drift has opened up new ore to the north of the 3-6 and 3-10 stopes. The ore structure is of the "C" type and has been disclosed over a length of 60 ft. The ore occurs over full drift width with grade above mine average. Preliminary drilling in three intersections indicates an average width of 14 ft.

What Showings Mean

Drift development to the north and stope development in ore structures indicated in the hangingwall zone on the 7th level will likely increase substantially the tonnage on this bottom level of the mine.

Recent disclosures in drifting and in stope preparation on the 7th level have been corroborative of the progressive improvement in grade to depth. Ore reserves at the present time exceed a million tons or approximately seven years' mill feed.

There are extensive areas indicated as potential for finding ore both to the north and south that remain for exploration.

In ordinary times consideration would be given to doubling mill capacity on the basis of ore developed. With an intensification of the gold mining labor problem expected shortly, however, the company will no doubt be satisfied if production can be maintained near the present level.

Best Year Yet For Cochenour

Earnings and Working Capital Increase—Mine Position Reported Better

A sharp increase in earnings, a "greatly improved" ore position and an increase in working capital of almost $270,000 feature the annual report of Cochenour Willans Gold Mines for the year ended May 31, 1942.

Net profit of $409,839 was equal to 13.8 cents a share compared with only 9.5 cents a share the preceding year, the first full year of operation.

While no attempt is made to estimate ore reserves, Mine Manager W. P. Mackle has this to say about the mine position:

"I can state, without any reservation whatever, that the present ore situation both as to grade of ore and potential tonnage is greatly improved over a year ago. Our very fine ore position is due mainly to excellent results obtained from an intensive development and exploration programme carried out on the 275 and 375-ft. levels. The new northeast area of the mine in which section the 219, 221, 223, and 225 zones of the 275-ft. level and the 309, 311 and 319 zones of the 375-ft. level occur is by far the best area as yet developed in the mine. The bodies are much more regular, both as to horizontal and vertical continuity and the average grade is well above mine average. In several of the zones the continuity has been established from the 150-ft. level to the 375-ft. level and surface drilling has still further extended the possibility of extensions through to surface."

The future will depend entirely on an adequate labor supply, it is stated. The company is stated to have a good position as regards essential materials. Tailings loss has been reduced but the small smelter has had to be closed down due to labor shortage.

Income and Surplus Account
Years Ended May 31

	1942	1941
	$	$
Production	1,134,362	897,823
Less: Marketing	10,840	8,780
Concs. marketing ..	72,663	*
	1,050,859	889,043
Less: Development ..	118,844	102,569
Mining	155,209	143,244
Milling	99,983	*166,769
Sintering, etc.	28,378	......
Gen. mine expense .	26,311	20,771
Exec. off. expense ..	21,835	19,416
Net earnings	600,299	436,274
Add: Int. earned......	6,647	2,258
Less: Depreciation ...	66,091	54,699
Development w/o ..	42,933	42,933
Taxes	88,083	58,420
Net profit	409,839	282,480
Less: Dividends	177,699	176,199
Surplus for year	232,140	106,281
Add: Prev. surplus ..	214,400	108,120
Tax adjust.	6,167	......
Surplus forward	452,707	214,401

*Concentrates marketing expense included in milling expense in 1941.

Earnings per Share & Dividend Record:		
Earned	$0.138	$0.095
Paid	0.06	0.06
No. of Shs. Outstand.	2,961,655	2,961,655

Working Capital		
	$	$
Current assets	715,588	445,693
Current liabilities	125,543	123,683
Working capital	590,045	322,010

Ventures-Sudbury Basin Merge Sudbury Holding

Former Treadwell Yukon Ground and Sudbury Basin's Vermilion Acreage to be Joined Subject to 'Basin' Shareholders' Approval

Two properties in the Sudbury area which enjoyed the stock market spotlight in 1929 may be merged shortly—the old Treadwell Yukon property now held by a small Ventures-Sudbury Basin controlled company, Ontario Pyrites Ltd. and the Vermilion Lake property owned by Sudbury Basin Mines.

The proposal is to sell the properties mentioned to a new five million share company to be known as Ontario Pyrites Co. which would issue 2,156,000 shares for properties, of which 1,730,000 shares would go to the Ventures-Sudbury Basin group. The Treadwell Yukon and Sudbury Basin properties are adjacent and it is felt they can be developed more advantageously as a unit at some later date than as individual operations.

A considerable tonnage of copper-lead-zinc ore has been outlined on both the Treadwell ground, comprising perhaps more than 4,000 acres, and on the Sudbury Basin section of around 3,000 acres. Three shafts were put down on the Treadwell Yukon acreage.

The old Treadwell-Yukon company at one time estimated 20,000 tons of ore per vertical foot had been outlined at their 500-foot level and mentioned plans for a mill of 2,000 tons daily capacity. A 250-ton plant operated for a time, assisted in working on the great recovery problems in treating the complex ore. The Treadwell properties were sold to the Ventures-Sudbury Basin group for $100,000 in 1939.

No immediate plans are reported for resuming work at the combined properties but the urgent demand for copper, zinc and lead—the chief metals present—may result in new attention. While ore is complex, a large amount of development work has been completed and production could be reached rapidly.

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A superb mixture of the world's finest tobaccos . . . it's the best you can buy for your pipe.

PACKAGES, POUCHES AND ½ LB. TINS

T-442

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FOR APARTMENTS, HOTELS & COMMERCIAL BUILDINGS

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A limited number available in capacities from 50 to 500 lbs. of coal per hour. Satisfactory delivery. Easily installed. Better act NOW.

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Saint John Montreal Toronto Winnipeg Vancouver

Mining Concentrates

Donhurd Prospecting Syndicate is reported carrying out a considerable programme of surface exploration as a preliminary to diamond drilling its property in Dasserat twp., Que. The western end of the scheelite showing is said to go under the lake, with the eastern extension now being sought. Indications are that the zone extends for nearly 300 ft. east of the original discovery.

* * *

Dormae Mining Syndicate has been formed to carry out exploration work on a one-claim property in the Cobalt district. A permit has been secured to dewater the shaft and carry out underground work.

* * *

Dome Mines maintained its production in September through milling of a higher average grade of ore:

1942:	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept.	43,700	1,457	$11.91	$520,514
Aug.	45,500	1,468	11.45	520,771

* * *

Golden Manitou Mines made its first shipments of gold and silver bullion and zinc concentrates in August, the Quebec Bureau of Mines reports.

* * *

Pioneer Gold Mines in a letter to shareholders signed by A. E. Bull, vice-president and secretary-treasurer, states that the labor situation is rapidly becoming critical and the company has been unable under government labor restrictions to replace men quitting since June 30. The resulting reduction in crews has forced a curtailment of tonnage mined and reduced profit margin available for dividends. Every effort will be made to sustain production and reduce costs, he states, adding that it is the labor factor which will determine results for the current quarter and for the future. This factor, he says, is beyond the control of the management.

* * *

Paymaster Consolidated Mines experienced a reduction in production in September although tonnage milled was higher:

1942:	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept.	15,756	525	$7.72	$121,695
Aug.	15,586	503	8.39	130,812

* * *

Pandors Cadillac Mines has closed down its mine for duration owing to the impossibility of securing sufficient labor, President W. A. Taylor informs shareholders. Under the circumstances, the option to purchase the mill rented from Mill Builders Ltd., has been allowed to lapse. Mine buildings and equipment will be insured and maintained in charge of a caretaker and all taxes and license fees are to be looked after pending a resumption of mining.

* * *

Pacalta Oils has extended Sept. 28 option installment on 100,000 shares to James Easton for one month, and subsequent installments have been similarly extended.

* * *

Quebec production of gold and silver for August decreased "more or less considerably as compared with Aug., 1941 and July, 1942," states Hon. Edgar Rochette, Quebec Minister of Mines. Cement production also decreased, but, on the other hand, clay products and lime showed considerable increases. Production of gold, lime and cement showed increases of 4, 17 and 16%, respectively, for the first eight months of the year, compared with the corresponding period of last year.

* * *

Surf Inlet may be forced to suspend production shortly due to the shortage of labor, it is stated.

* * *

Siscoe Gold Mines production was practically unchanged in the September quarter from the preceding three months:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept. 30/42 .	92,237	1,002	$4.91	$452,889
June 30/42 .	92,645	1,018	4.89	453,126

* * *

San Antonio Gold Mines has declared an extra dividend of 3 cents payable along with the regular semi-annual dividend of 7 cents a share, Nov. 6, 1942, to record Oct. 20.

* * *

Sigma Mines (Quebec) production was slightly lower in September:

1942:	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept.	33,270	1,109	$7.57	$251,868
Aug.	34,379	1,109	7.56	259,987

* * *

Tungsten has been found in the eastern townships of Risborough and Marlow, according to an announcement of Hon. Edgar Rochette, Quebec Minister of Mines. A total of 12 to 13 veins are reported located in a mile and a half. All veins are relatively narrow, less than a foot wide on the average, but one was followed for a length of 950 ft. In all, 21 veins were examined.

PROFESSIONAL DIRECTORY

LEGAL

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Purchases of the forthcoming issue of Victory Bonds by wage earners and salaried workers are all-important to the success of the forthcoming Victory Loan.

In some families three or four people are now steadily employed; therefore a much larger participation in the Loan is possible by all wage and salary earners.

Compulsory savings are only expected to yield about 5% of the amount to be borrowed this year.

Over 800,000 employees invested in the last Victory Loan through the Payroll Savings Plan. The objective this time is to get at least one and a half million employees to buy the [illegible] Victory Bonds; either with cash they already have in the bank or on the Payroll Savings Plan, out of their future earnings.

Representatives of the National War Finance Committee are calling upon every employer to help him to organize a Payroll Savings Plan for buying Victory Bonds, and to ask him to give encouragement and personal leadership to his people in making the plan a success. The employees themselves do the actual canvass for orders among fellow-workers.

The whole Plan has been carefully worked out and each step in the plan is outlined in a Plan Book which will be given to every employer by the Representative. The Plan works. On past experience it has been most successful. Several thousand employers who were skeptical at the time of the previous Victory Loan were delighted to discover what their people were capable of in saving and lending to buy Victory Bonds. They are now exceedingly proud of their Honour Certificates, and will go all out to earn another one this time.

When the Representative of the National War Finance Committee calls upon you, give him a good reception. The job of raising more money by the sale of Victory Bonds must be done. *And with your help it can and will be done.*

WORK — SAVE — LEND
FOR VICTORY

National War Finance Committee

FL-38

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON.—In my notes last week I mentioned a ruffled surface in the House of Lords when young Lord Lovat, the Commando Leader, called attention of his fellow nobles to the strange conduct of Lord Strabolgi, the socialist peer. Perhaps you will remember that Strabolgi, formerly Commander Kenworthy, M.P., had written an article for Collier's Magazine in America in which he criticized the snobbery and the leadership of the British army.

To go into more detail, such intense interest was aroused that the House of Lords could have sold ringside seats at £5 if such an impossible precedent could have been considered. In fact, when the House met and Lord Lovat "moved for papers," there was not a foot of spare room anywhere. It was felt that while Lovat was a gallant soldier he would probably speak like one—which meant that he would be pretty bad.

However, the good-looking, youngish peer, in uniform, confounded the sceptics by not only speaking like a gallant soldier but speaking very well indeed. It is true that he used the word "bunkum," which caused more than one lordly eyebrow to rise, but there was such a fine, adventurous roughness about everything he said that he had the ancient House making sounds which were almost like cheers.

There is no false modesty about Lovat. "The noble lord, in his article, gave his impression of the German army discipline. I venture to suggest that I have been in more recent contact with the German army than he has."

The Duke of Wellington, also in uniform, ejaculated a loud "Hear, hear!" Later, the duke spoke, but not particularly well. But then his famous ancestor was a failure in Parliament.

Encouraged by this cheer Lovat fixed the smiling Strabolgi with his Commando eye and urged the wicked peer to come down to his camp and make a tub thumping speech with the same rot in it as had appeared in the article. "There would be only one answer," barked Lovat. "The nearest horse trough." Despite this astonishing confession that the highly mechanized Commandos still have horse troughs the peers definitely cheered. Their Norman and Saxon blood was pulsing in their veins.

* * *

Closes With Flourish

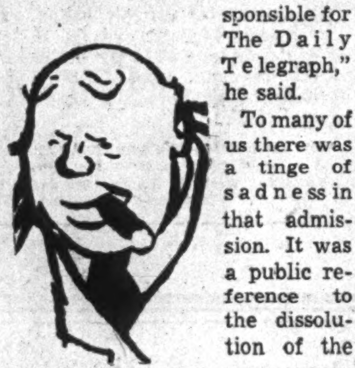
With a flourish Lord Lovat came to his close. "If the noble lord wishes to defame the British army here, let him do so, but to send his defamation across the Atlantic was an unworthy action which has brought upon him the contempt of his fellow countrymen."

"Hear, hear! Hear, hear!" The peers could hardly restrain their hands from slapping their thighs. This was indeed a fair and knightly jousting, a youth with a stout heart and a sharp spear. Strabolgi smiled on but there was not much humor in his eyes.

Viscount Cranborne, whose case is somewhat complicated by being a peer in his own right but also Lord Salisbury's heir, (remind me to explain that to you some time) admitted on behalf of the government that the censor had shown leniency unto a fault in allowing the pernicious article to be cabled. Then he turned on Strabolgi and said that his action was deeply regretted in this country and outside. John Simon looked on from the Woolsack. How he would have loved to have been in on it instead of spreading his legendary presence over the scene as lord chancellor. And how brilliantly he could have spoken for either side.

Unabashed, Lord Strabolgi rose to a strained silence. His attitude was deferential but not contrite. He admitted that there were some inaccuracies in the article (this time the peers almost did slap their thighs) but the fault lay with Lord Camrose who had made unscrupulous use of it in "the journals which he controls."

Up rose the burly and dignified Viscount Camrose. "I am only responsible for The Daily Telegraph," he said.



Lord Camrose

To many of us there was a tinge of sadness in that admission. It was a public reference to the dissolution of the newspaper partnership of the famous Berry Brothers (Lord Kemsley and Lord Camrose) and an intimate understanding which had lasted many years.

Strabolgi did the best he could but the House and the whole country were against him. He had committed the same crime as Lloyd George, that of criticizing Britain or a section of Britain in a foreign publication and accepting money for it—with this difference, that Strabolgi did it with a war on.

It was left to the Earl of Mansfield to insert the penultimate dart in the thick neck of the tiring bull.

"Will the noble lord tell us if he was paid for the article and how much?"

Strabolgi refused to answer. At this, as the chief toreador, Lord Lovat advanced for the kill.

"The noble lord's apologia," he said, "is the lamest explanation I have heard in any debate from the preparatory school onward."

At this an ancient peer did slap his thigh—a statement that is proved by the fact that he was definitely seen limping on his way home.

If all this sounds rather futile and footling I would beg you to look beyond the antics of the debate. A serving soldier, using his privileges as an hereditary legislator, was defending the British army in terms that will put new pride in the forces. Also the profit motive was being challenged in its relation to the responsibilities of citizenship. Even in the midst of war such issues are not unworthy of attention.

Luncheon With Camrose

Speaking of Lord Camrose I met him at luncheon at the Polish Embassy this week, when he told me that he is leaving almost at once for the U.S.A. on "various matters." When he reaches the other side I hope that you in Canada will urge him to pay a visit to the Dominion. He is a man of the highest integrity and rare judgment, and his newspaper, The Daily Telegraph, rivals The Times in importance.

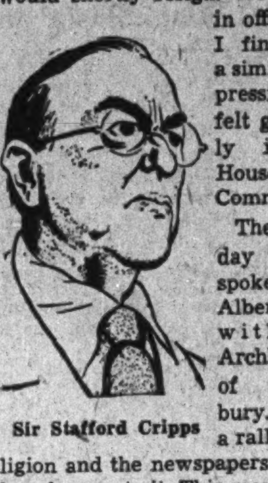
Camrose is outwardly austere and gives the impression of lacking warmth, but actually he is deeply humorous and full of human kindness.

Sir Samuel Hoare and his wife were also at the luncheon. The Spanish sun or the Spanish diet has slimmed them both. They looked well, but I thought I could detect in the ambassador's eye a certain longing to be back permanently in his own England. It cannot be much fun to labor endlessly with the complexities of Madrid and to have as your only reward the clamor of the mob: "Why do we allow that man of Munich to be an ambassador?"

* * *

About Sir Stafford

Last week I gave it as my impression that Sir Stafford Cripps would shortly resign. He is still in office, but I find that a similar impression is felt generally in the House of Commons.



Sir Stafford Cripps

The other day Cripps spoke at the Albert Hall with the Archbishop of Canterbury. It was a rally to religion and the newspapers gave a lot of space to it. This may be the key to Cripps' future. He is an earnest churchman and is genuinely religious, "giving much of what he hath to the poor and living humbly before all men."

Will he try to launch a religious-political movement, a project for a Christian, socialist Britain? Stranger things have happened, and certainly Cripps has ceased to take any pleasure in trying to lead a House that refuses to be led.

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Mining Enquiries

Central Patricia

I have held shares in Central Patricia Gold Mines for a number of years and have always had a satisfactory dividend return from them. However, the shares have been very weak on the market recently and I would appreciate your comments on the general situation surrounding the company's affairs now.

Central Patricia Gold Mines has been adversely affected by the shortage of skilled miners and production has been showing a downward trend so far this year. As a result, earnings have been cut sharply, the company has suspended payment of extra dividends, and the regular dividend of four cents a share per quarter has been reduced to 3 cents.

Ore reserves remain approximately three years milling requirements, according to last report, but it must be realized the ore reserve position may show some shrinkage over the full year due to inability to maintain an adequate labor supply.

While ore reserves have been relatively well maintained, there has been some suggestion that ore tonnage has not been so great at depth. A large favorable area for the finding of ore exists, however, and it is possible more satisfactory conditions will be encountered at still greater depth. Undoubtedly the depth ore situation has played some part in declining prices for the stock.

Sherritt Gordon

What is the position of Sherritt Gordon Mines under existing war conditions? Does it appear likely the company will go on paying dividends?

Sherritt Gordon Mines will likely secure preferential treatment as far as labor is concerned under National Selective Service regulations. The company has been affected by labor shortage but it is believed steps will be taken to prevent the situation from becoming critical. Zinc production was undertaken in mid-1942 and revenue will be enhanced by sales of zinc concentrates to the Metals Reserve Co. at Washington.

Sherritt has been unable to show large net profits in recent years and this situation may continue. However, operating profits have been sufficient to pay dividends at the rate of 10 cents a share per annum in interim payments and the company has been able to build up its working position. We have heard no reports suggesting a change in dividend policy.

Failure to find important ore values at depth in the Sherritt Gordon mine may mean ore reserves have been reduced to around seven years' requirements by now, but this unfavorable aspect has been somewhat offset by discovery of a fair grade of iron ore on the Michipicoten Iron Mines property which is now being placed in production. Sherritt has a 50% interest in this project.

Amic Syndicate

Some time ago I purchased some units in Amic Syndicate, interested in a mica prospect near North Bay. Will you let me know what progress, if any, this syndicate has made and something about the mica showings in the area?

Amic Syndicate recently agreed to merge its property with that of the Mattawa Syndicate in the same area to form a new operation to be known as Mica Consolidated Mines in which shareholders will receive 150 shares per unit. The Amic Syndicate has reported the opening up of an important mica-bearing dyke on its property near Eau Claire, 25 miles east of North Bay, and mining of mica is now being carried on. A processing plant has been established at the town of Bonfield with a number of girls splitting and trimming the mica for market.

Operators in the area state that their white mica is high grade in character and that profitable operation is possible.

Uchi Gold Mines

Has Uchi Gold Mines been affected by the shortage of labor which seems to be hitting most gold mines now? What seem to be the prospects for the enterprise. Bonds seem to be selling at a relatively low level.

Due to a labor situation and difficulty of placing a large tonnage of new ore in sight each day, Uchi Gold Mines by mid-1942 had been forced to reduce milling rate to approximately 400 tons daily. This compares with an average of 683 tons of ore daily treated in 1941.

While revenue has been reduced, the company has been trying to cut expenses in order that all commitments may be met. The future depends in large part, of course, on discovery of some new source or sources of ore which will allow a better margin of operating profit than experienced in the past. Many ore possibilities have been exhausted but several bets remain. The management considers a large "break" has been defined which is all potentially ore-making ground.

Working capital at end of 1941 had been built up to $327,082, excluding $373,244 of loans and interest due J. E. Hammell. The company has also a bond issue of $1 million outstanding.

Apparently the market is placing a value of about $350,000 on the bond issue, an amount which should be considerably less than the value of the company's milling plant on a salvage basis.

Good Sales Prospects For Okanagan Crop

Most of Crop Harvested Despite Labor Shortage — See Domestic Market Making Up For Lack of Exports to United Kingdom

From Our Own Correspondent

VANCOUVER.—Okanagan Valley, British Columbia's most important fruit-growing area, has overcome the acute labor shortage and harvested most of the crop. It still is faced with the business of marketing the pack, and sugar restrictions imposed by the Wartime Prices and Trade Board may lead to complications, but, generally speaking, the outlook is not nearly so dark as it was a few months ago.

The crop has not been as great as was anticipated. The original estimate was for 6 million boxes or more. The present figure is somewhere between 5 and 5.2 million boxes.

The MacIntosh, most important commercial crop in the Okanagan, has all been packed, and for that the Okanagan can thank scores of volunteer workers—housewives, businessmen; clerks and soldiers who relieved what threatened to be a major manpower crisis at the peak of the harvesting season.

Sales executives of Okanagan growers' associations believe that the domestic market will absorb such a large proportion of the pack there will not be much need for the Dominion Government's bonus.

Surplus Small

With the apple crop at about 5 million boxes there should be a negligible surplus, even though no apples are to be shipped to the United Kingdom this year. Last year that overseas market took 1.2 million boxes. There will be no such windfalls this year, although the government's recent bid for 55,000 cases of apple juice almost comes within that category. Owing to the shortage of tin plate earlier in the season Ottawa banned all apple juice packing.

The government has guaranteed an apple price of $1.25 for wrapped apples and $1.15 for unwrapped, on 4.5 million boxes, and $1 a box on the additional quarter million boxes, f.o.b. shipping point.

The government set aside $1.2 million to meet the subsidy that might be necessary under this arrangement. According to George Barrat, chairman of the B. C. Fruit Board, the government probably will be called on for only a fraction of that amount.

Prospects Good

The minimum price agreement applied only to domestic sales. Recently the U. S. Government contracted to take 400,000 boxes from British Columbia before Christmas, with the likelihood of taking an even greater volume later. Prices for export are higher than the domestic, and the U. S. sales have no bearing on the arrangement with the Canadian Government.

General expectation is that the growers will receive about 60 to 65 cents a box this year, compared with 75 cents last year, which was the best in a long time. Higher costs of production are chiefly responsible for the reduction in price this year.

Volume of fruit shipments from the Okanagan have been heavier this year than ever before, and Tree Fruits, Ltd., selling agency, will do a $10 million business.

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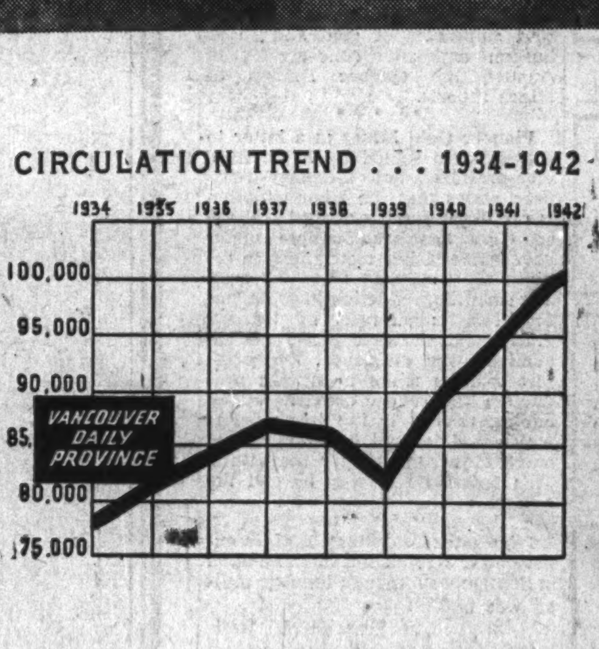

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